

GEARING TO GROW

54th Annual Report
2021-22

V.S.T. Tillers Tractors Limited





Corporate Information

Board of Directors

Mr. V.K. Surendra

Chairman

Mr. R. Subramanian

Independent Director

Mr. M.K. Bannerjee

Independent Director

Mr. K.M. Pai

Independent Director

Ms. Siva Kameswari Vissa

Independent Director

Dr. Nandakumar Jairam

Independent Director

Mr. V.P. Mahendra

Vice Chairman & Non-Executive Director

Mr. V.V. Pravindra

Non-Executive Director

Mr. V.T. Ravindra

Managing Director

Mr. Arun V Surendra

Non-Executive Director

Chief Executive Officer

Mr. Antony Cherukara

Chief Financial Officer

Mr. Pankaj Khemka

Company Secretary and Compliance Officer

Mr. Chinmaya Khatua

Statutory Auditors

M/s. K.S. Rao & Co., Bengaluru
Chartered Accountants

Internal Auditors

M/s. Brahmayya & Co., Bengaluru
Chartered Accountants

Cost Auditors

M/s. Rao, Murthy & Associates,
Bengaluru, Cost Accountants

Secretarial Auditors

M/s. Thirupal Gorige & Associates
LLP, Bengaluru, Practising Company
Secretaries

Bankers

Canara Bank
State Bank of India
HDFC Bank
SCB Bank

Regd. Office

Plot No.1, Dyavasandra Industrial
Layout, Whitefield Road,
Mahadevapura Post,
Bengaluru - 560 048
Ph : 080-67141111
E-mail: vstgen@vsttractors.com
website: www.vsttractors.com

Factory Addresses

PLANT LOCATIONS

HOSUR

Plot No:39, Sipcot – Phase I,
Mookandapalli Post, Hosur - 635 126.
Tamil Nadu

MYSORE

Plot No.42/43, Metagalli Industrial
Area, Mysuru -570016. Karnataka

MALUR

Plot No-222-224 & 229-232,
KIADB Industrial Area, Malur III
Phase, Malur -563130, Karnataka

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For additional information about
the company log on to: www.vsttractors.com

FORWARD-LOOKING STATEMENTS

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward looking statement, whether as a result of new information, future events, or otherwise.



KEY HIGHLIGHTS

31,776

Tillers sold (in Nos.)

7,991

Tractors sold (in Nos.)

853.86

Income from Operation
(Rs. in crores)

99.31

Profit After Tax
(Rs. in crores)

46.50

CAPEX (Rs. in crores)

58%

Market share in Power
Tillers segment in India

7%

Market share in Compact
Tractors segment in India




Power tillers plant at Malur, Karnataka

GEARING TO GROW

Powered by a legacy of more than 50 years, we are driving farm mechanisation and empowering Indian farmers, through our innovative products and solutions.

We are now building the pillars to accelerate our growth momentum. We are expanding our presence globally and also the range of our offerings. We are targeting niche segments, where we can strengthen our presence.

A person wearing a high-visibility orange and grey safety vest is leaning over a red tractor, working on its front grille. The background is a blurred workshop or factory setting with yellow overhead cranes.

Adopting the right technology, we believe, we can also increase our value play in the sector. Therefore, we are fostering technical partnerships with global players to leverage emerging technologies to offer sustainable, productive, and profitable farming solutions to our customers.

Our performance reaffirms our commitment to growth and long-term value creation for all stakeholders

About us

Driving empowerment of the farming community

A leading player in the Indian farm mechanisation segment, V.S.T. Tillers Tractors Limited (VST) today is the largest manufacturer of power tillers and four-wheel drive compact tractors in India.

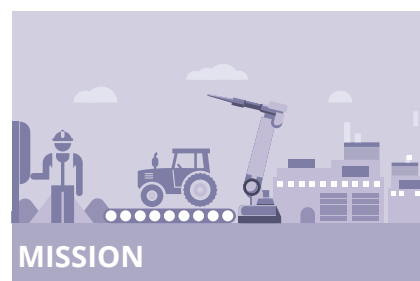
Our journey began in 1967 as a part of VST group and was promoted in partnership with Japan's Mitsubishi Heavy Industries Ltd. Over time, we emerged to become one of the most renowned and preferred brands of agricultural equipment in Asia. Building on our rich legacy, we continue to push farm mechanisation and farmer empowerment across the globe especially in India.

Our cutting-edge manufacturing facilities and research capabilities have allowed us to maintain our leadership position in both domestic and international markets. Over the last decade, we have developed our presence in more than 20 countries and established ourselves as one of the popular compact tractor brand.



VISION

Despite adverse situation such as Covid-19 Pandemic, supply chain disruption and high raw material inflation, we are committed to achieve our vision of being a leading global brand in diversified farm mechanisation products & solutions and achieving the first revenue milestone of Rs. 3000 Cr.



MISSION

We will accomplish our Vision with undivided and undeterred commitment towards innovative quality products through Inspired Individuals, Simplified Systems and 5X Leadership.



VALUES



Customer Centricity

Make every interaction count, even the smallest one



Integrity

Doing the right thing, even when no one is watching



Synergy

Together we achieve more



Speed

It's not the big, but the fast that wins



Stretch

Go the extra mile, it is never crowded



Go Green

Conserve to serve

OUR MANUFACTURING FACILITIES

With the vision to create sustainable crop solutions and enhance farm production, we have built three manufacturing facilities located in India. We supply our products and critical components to OEMs and customers across the world. All our manufacturing facilities are equipped with modern technologies and quality systems.

MYSORE

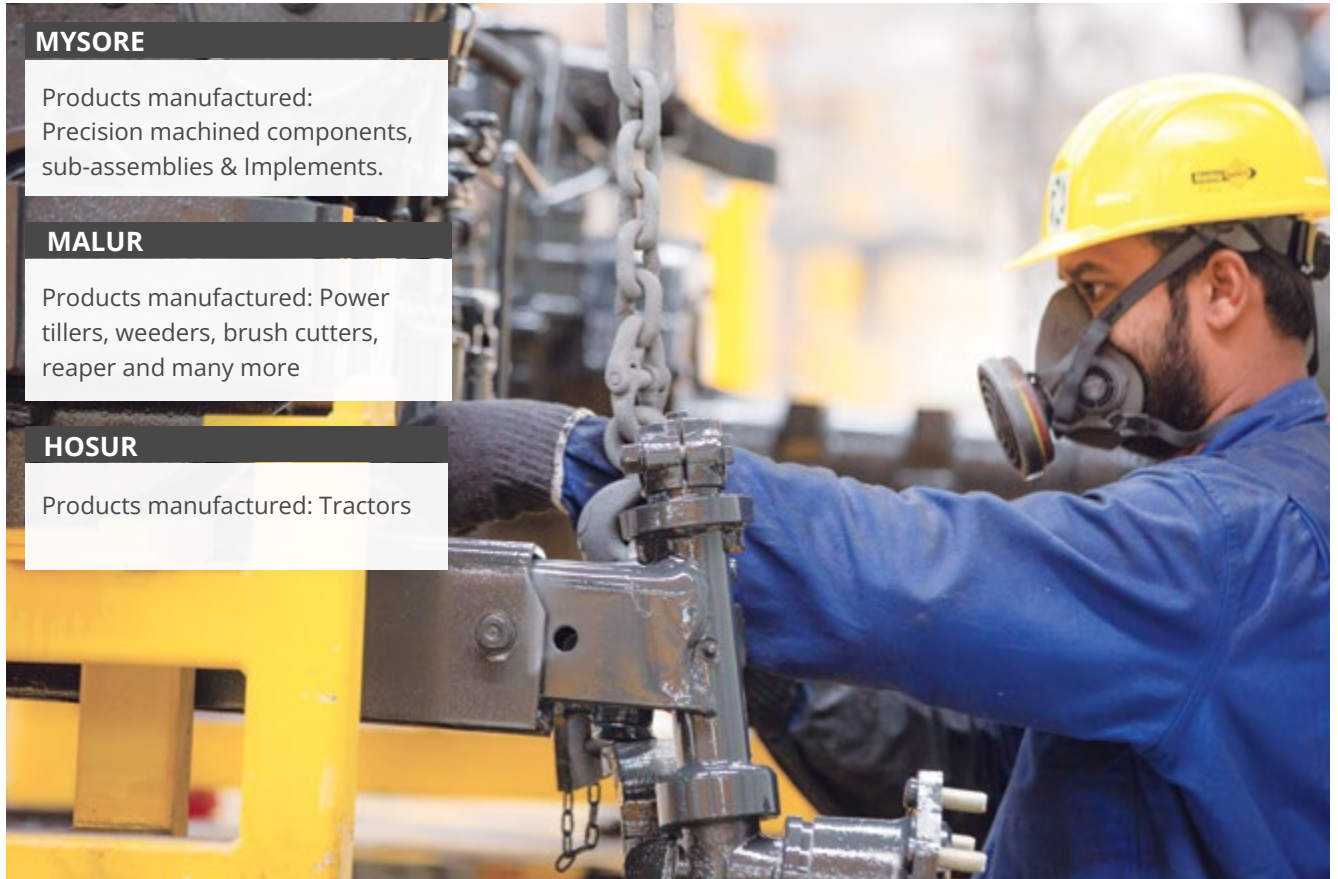
Products manufactured:
Precision machined components,
sub-assemblies & Implements.

MALUR

Products manufactured: Power
tillers, weeders, brush cutters,
reaper and many more

HOSUR

Products manufactured: Tractors



Did you know?

The Precision implements manufacturing and assembly started at our Mysore plant. The unit is spread across 5 acres of land and is equipped with all the latest machinery and equipment. We focus on complete validation of all precision implements through in house R&D for best suitability with tractors and provide a complete

range of farm mechanization solutions to customers under one roof. We are currently offering Rotary Tillers Sprayers and Balers with best-in-class global technology customized for Indian farms. The precision implement Division will be a future growth driver not only for VST but also for our channel partners. With the precision implements launch, VST is taking one more successful and solid step toward being a pioneer and leader in small farm mechanization.

7,500 Nos

Capacity of manufacturing tractor rotary at PCD Mysore

1,00,000 Nos

Capacity of manufacturing power tiller at Malur (Installed capacity 60,000 Nos.)

36,000 Nos

Capacity of manufacturing tractors at Hosur

Our Presence

Expanding our geographical footprint





Chairman's insights

Strengthening operations sustainably

//

India is well on track to achieve its goal of becoming a \$5-trillion economy. In the short term, increased global concerns are presenting headwinds, however, these are expected to subside and position the country back to healthy economic growth. //

Dear Shareholders,

The global economy recorded a significant growth after recovering from the impacts of the pandemic. While the recovery was smooth in the first half of 2021, it lost momentum during the second half of the year, on account of supply chain disruptions and rising commodity prices. What looked challenging to manage at first became even difficult, post Russia's invasion of Ukraine. This isn't the end of it as the fallout on the supply chain is likely to further drive inflation and overshadow the growth prospects of the global economy.

India is well on track to achieve its goal of becoming a \$5-trillion economy. In the short term, increased global concerns are presenting headwinds, however, these are expected to subside and position the country back to healthy economic growth.

With the world population expected to grow to 9.8 billion by 2050, demand for food will rise. As per the United Nations, there will be a need to double world's agricultural output by 2050 in order to keep up with the population growth. India being an agriculture-based economy, the country will always play a pivotal role in contributing to the demand of the overall agricultural output.

Against such background, the domestic tractor and farm machinery market are extremely important. With the shortage of farm labour, rising wages and the need to improve productivity, there is an increased demand in both lower HP tractors and tillers. Majority of Indian farmers owning less than 5 acres of land are increasingly adapting small and affordable farm mechanisation tools.

Amid these transformations in the agriculture landscape of India, our strong market positioning as well as capacity readiness are enabling us to capitalise on the sector's expanding prospects. We have recognised our role in uplifting the agriculture community, building strategic collaborations and making a positive difference in farmer life.

During the pandemic, many contract workers /urban workforce working on many contractual jobs started moving to rural /semi-urban areas has resulted in higher demand for agri machineries. Also, normal monsoons during the pandemic boosted Kharif season crops and had a significant bearing impact on rabi crops as well. These factors had big positive impact on agri sector and on our company prospects of delivering better results. VST capitalised on

above momentum by catering to the needs of small & marginal farmers and ensured availability of tillers, tractors and weeders. Also, increase in coverage has helped us in tapping the rural demand for agri machineries.

With the prediction of a good monsoon in FY23, there will be an increase in demand for small machines to the tune of approx 10% - 15 %. Crop-specific machines demand will be on rising for crops such as sugar cane, turmeric, ginger, and horticulture where VST has lined up a wide range of products to tap the potential like 16HP tiller for sugar cane, RT70 weeder for ginger and turmeric, ignito 9hp compact tiller for multi-crop applications.

BUSINESS REVIEW

Our team rallied to deliver a strong performance with revenue from operation of Rs. 853.86 crore as compared to Rs. 764.24 crore in the previous year. Our EBITDA and PAT stood at Rs. 124.18 crore and Rs. 99.31 crore respectively

Our Power tiller sales volume stood at 31776 units, while tractor sales volumes stood at 7991 units. In 2021-22 we continued with our efforts of making strong partnerships. We entered into a Master Supply agreement with Zimeno, Inc. d/b/a Monarch Tractor.

We have recorded a topline growth of 12%, with a 3-year CAGR of

25.33%. We also made a number of new product launches during the year. The launch of VST 95 DI Ignito, India's first 9 HP, electric start, indigenous power tillers, 30HP tractor and VST 171 DI Single Cylinder Tractor, and electric Pumps are some notable ones that found growing acceptance in the farmer community. In this context, I would like to mention that our products are backed by service and spares availability via our well-established network. The after-sales division continues to be an important business enabler, driving enriching customer experience. With this stellar performance, I am also pleased to report that our Board have recommended a final dividend of Rs. 20 per equity share for the financial year ended 31 March 2022.

SUSTAINABILITY

We continue to take steps to strengthen our sustainability resolve across our operations. We aim to bring positive changes to environment, by identifying specific parameters of ESG. Some of the efforts were directed towards water conservation, increasing renewable energy consumption and adequate hazardous waste management.

ROAD AHEAD

Given that, we are one of the leading mechanisation player in the domestic market, we hope to further strengthen our position in the Indian farm mechanisation

market. Among the international markets, Africa presents an opportunity for growth. Our new product introduction of high horsepower tractors have garnered a good response from the African market, giving us the optimism to penetrate the market further. Our endeavours in new product development, widening our dealer network and strategic partnerships with global players, will help us achieve our long-term objectives.

In conclusion, I will like to express my deepest gratitude to Board of Directors, stakeholders and our employees for their dedication they have showed in the most challenging times during the pandemic. As we concentrate our efforts towards recovery on business and economic front, I remain optimistic about the growth prospects for agriculture industry and believe your Company is well-positioned to capture the emerging opportunities to drive long-term value creation.

Regards

Mr. V K Surendra

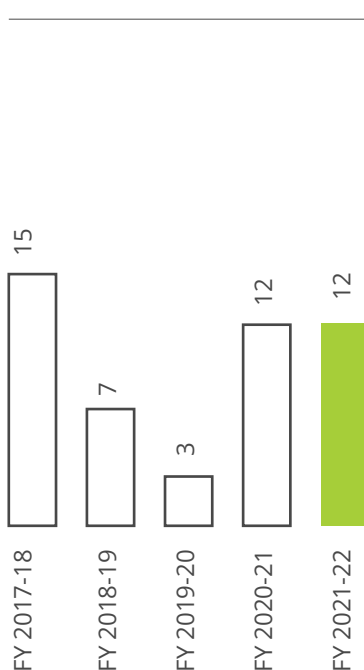
Chairman

Financial highlights

Delivering sustainable performance

PAT MARGIN

(%)

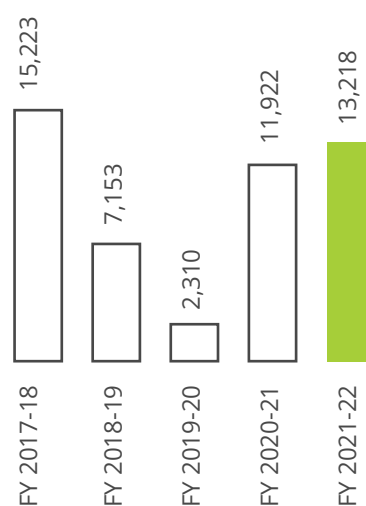


PBT

(INR lakhs)

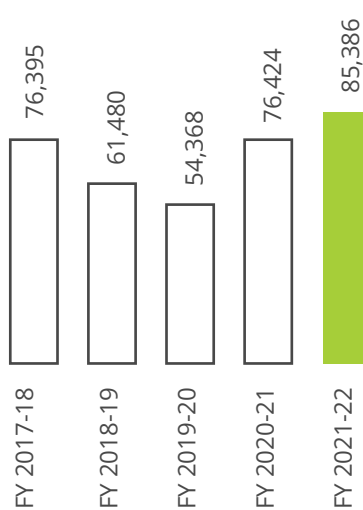
11% ↑

YoY

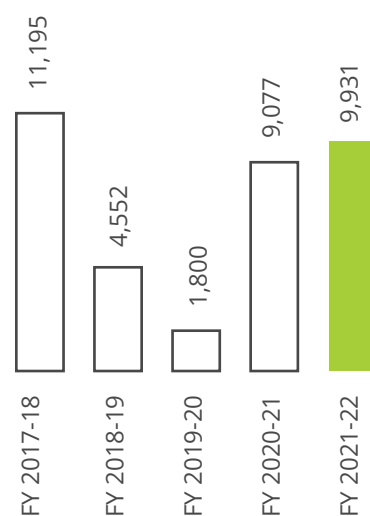


OPERATIONAL REVENUE

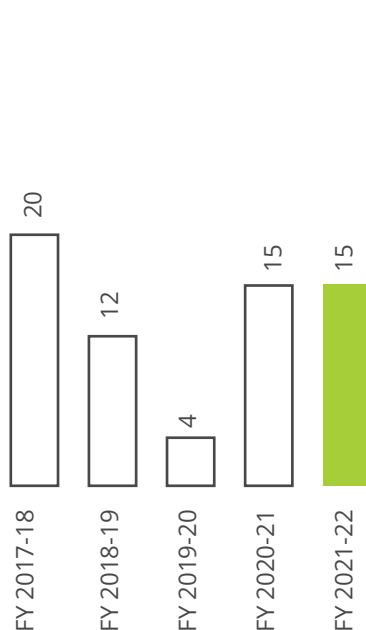
(INR lakhs)

11.73%↑ YoY**PAT**

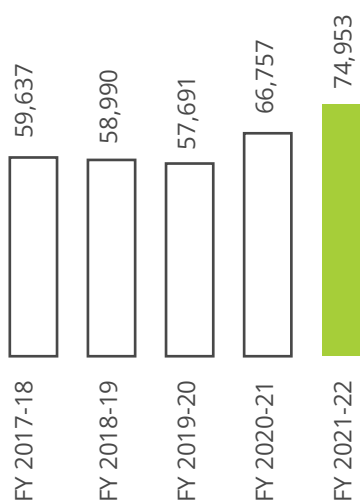
(INR lakhs)

9.41%↑ YoY**PBT MARGIN**

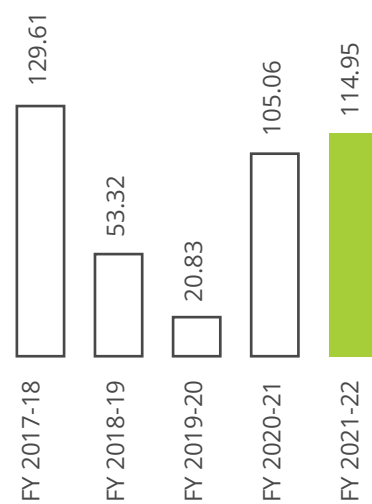
(%)

**NET WORTH**

(INR lakhs)

12%↑ YoY**EPS**

(INR lakhs)

9%↑ YoY

Our product portfolio

Catering to a diverse customer base

We offer a diverse array of products with a strong emphasis on quality and innovation. Our emphasis on creating new and unique products that meets the needs of our customers enables us to stay ahead of the industry curve.

SMALL FARM MECHANIZATION (SFM)

Power tillers are light weight and compact farm machinery that is particularly beneficial to small and marginal farmers.

KEY HIGHLIGHTS FOR FY22

31,776

Nos. of tillers sold

288

Nos. to Export markets

31,488

Nos. in Domestic market

555

Dealers

53.53%

Revenue contributed



SFM LAUNCH PLAN

Range of petrol & Diesel weeders and electric start power tiller.

Customer Testimonial

I bought this weeder and have been using it since one year and now I am getting good profits. It is performing well in the dry tilling, puddling operation.

This is No.1 weeder.



VST Customer



OUR OFFERINGS

POWER TILLERS

- VST 165 DI (16 HP)
- VST 135 DI
- VST 130 DI
- VST KISAN
- VST 95 DI IGNITO

WEEDERS

- VST MAESTRO
- VST ARO PRO
- VST RT70

- VST FT 50 GE

- VST FT50

- VST PG50

MULTICROP REAPER

- VST 5PR
- VST 55 DLX Multi Crop

BRUSH CUTTER

- VST P520BG
- VST 226 LD
- VST 234 MD

- VST 242 HD

- VST 243 HD

HEDGE TRIMMERS

- VST 223 LD
- VST 223 HD



Customer Testimonial

I majorly cultivate crops such as sugarcane, soyabean, and maize. I bought an 18BHP VST tractor and used it for one year for the farming process. The tractor is excellent, but due to my requirements, I had to upgrade to the more powerful tractor, so I bought the 24BHP tractor and used it for tilling crops like sugarcane, maize, and onion.

I love the tractor because of its robust build. It is also low on

maintenance, and consumes less fuel. I also use a hydraulic plough with the 45HP tractor, which is provided with a double valve to ensure smooth running of the tractor.

The Company provides excellent customer service. The vehicles are serviced at our doorstep instead of the other way round. We also never faced problems with any spare parts. I would like to urge

my farmer brothers to buy VST tractors as it is perfect for our farming community.



VST Customer

Our product portfolio

TRACTORS

We offer compact and high horsepower tractors across the world under 'VST' and 'VST FIELDTRAC' brands.

KEY HIGHLIGHTS FOR FY22

7991

Nos. of Tractor
sales FY22

6635

Nos. in Domestic
Market

34.33%

Revenue
contributed

1356

Nos. to Export
markets

329

Dealers

NEW PRODUCTS LAUNCH PLAN

DOMESTIC MARKETS:

- Two in compact tractor segment
- Four in Higher HP Tractor segment

EXPORTS MARKET:

- Between 30-40 HP Tractor with BS-V norms

OUR OFFERINGS



HT series – classic model



NGT series



Power series – 30



Viraaj Series

INTERNATIONAL BUSINESS

We offer a wide range of products under the brand of VST and VST FIELDTAC. We have a significant presence in Europe with distribution centres in countries including France, Germany, Netherlands, Spain, Portugal, Poland, Romania, Bulgaria and many more.

KEY HIGHLIGHTS FOR FY22

1644

Nos. of Tractor and Tiller sold

26

Distributors

100%+

Volume growth

DISTRIBUTION BUSINESS

We have started supply of spare parts through our distribution channel. Currently we are supplying spare parts of tractors, tillers, other small farm machineries & automotive lubricant range. This business is completely digitized.

Distribution network comprised of 40 distributors, 700 dealers and around 3000 retailers.

KEY HIGHLIGHTS FOR FY22

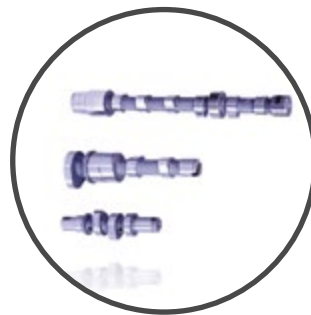
Rs. 91 crore

Revenue from Spare Parts business

PRECISION COMPONENTS

We supply precision components to the locomotive as well as the tractor industry. We are strengthening our presence in the segment by setting up a manufacturing facility for precision implements in our Mysore plant.

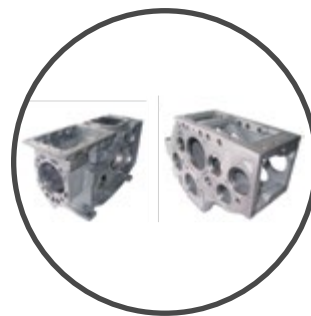
OUR OFFERINGS



Crankshafts, Camshafts & Connecting rods



Cylinder block & Cylinder head



Crankcase & Transmission case



Locomotive Parts

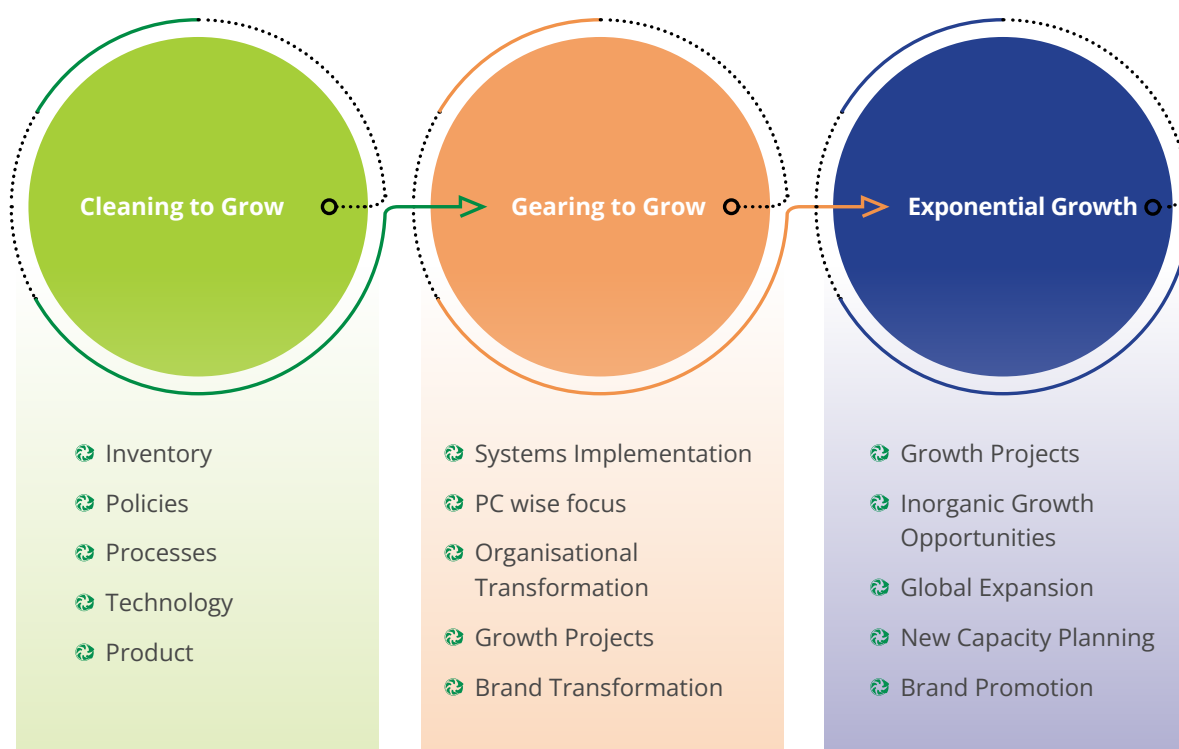


Rotary Tiller

Strategic framework

Enhancing value through effective strategies

As an organisation, we have been implementing various strategies that enables us to achieve our vision and scale our organization to newer heights. Our investment towards research & development, process improvements and collaborations are aimed at effectively addressing the diverse needs of our customers worldwide.



STRATEGIC SHIFT TOWARDS SMALL FARM MECHANISATION

With the majority of Indian farmers having less than 5 acres of land, there is a need for small and affordable farm mechanization tools. We, at VST, has been at the forefront of this revolution and have been undergoing a paradigm shift towards strengthening our product portfolio of farm mechanisation

for small and marginal farmers by introducing power weeders, which start from 2 HP to 8HP, power tiller from 9HP to 16 HP, brush cutters, hand-held machines and multi-crop reapers. We are also adopting the 5A strategy - awareness, availability, accessibility, affordability and ability to gain dominant market share in the segment.

We have also entered into strategic partnership with Pubert - a world leader in the design and manufacture of Weeder Through this partnership, we endeavour to provide high-quality products for small agricultural machinery to Indian farmers.

LEADERSHIP IN COMPACT TRACTOR SEGMENT

We continue to make big strides towards strengthening our presence in the compact tractor segment by launching new, innovative and industry-leading quality products as well as expanding our distribution reach. During the year under review, we have launched multiple products such as 30 HP 4Wheel Drive tractor with smart and farmer-friendly features which gained promising response in the market. We also launched new less than 20 HP segment which is ergonomically much advanced tractor. Going forward, we will continue to launch more new and user-friendly products in this space, creating demand for our products and strengthen our distribution network, and we believe this will empower us to gain more volume and market share.

PROMOTE PRECISION IMPLEMENTS

With the endeavour to offer end-to-end solution in farm mechanisation under one roof, we had entered into the precision implements segment through the launch of SHAKTIVATOR series of Compact Rotary Tillers, STABILATOR series of High Horsepower Rotary Tillers, JETTEC series of Sprayers, and WHIRLTEC series of Balers. Rotavator is a direct attachment to tractors and sprayers goes on almost all of our small and compact tractors, which are used in vineyards and orchards.

Alongside of diversifying our offerings into existing series, we are also focusing on adding new products such as roto puddlers, super seeders and other implements in the short run. We see tremendous opportunity in the segment and are optimistic about its growth in the long-run.

INCREASING OUR CAPACITY UTILISATION IN HIGHER HORSE POWER (HHP) TRACTOR SEGMENT

Post establishing strong market standing in compact tractor business in India, we have aggressively penetrated the higher horsepower segment. We are constantly focusing on increasing our capacity utilization in the segment by increasing the scale, building regional teams and expanding our distribution network. We have also entered into a strategic partnership with Zetor – Czech Republic based producer of tractors, engines, components, and transmissions – with focus on development of HHP tractors for India as well as export market. We plan to market the premium tractors under the VST-Zetor Brand, While the product development is right on track.



EXPLORE OPPORTUNITIES IN RURAL DISTRIBUTION

We are working towards transforming our parts and lubricant distribution business into a rural distribution business. Through this segment, we plan to penetrate wide range of products relevant for rural India such as agri-pump sets and similar equipment. We are also focusing on strengthening our overall distribution channel to ensure steady supply of products across length and breadth of the country by leveraging innovative digital platforms and technologies.

TAKE LEAD IN EMERGING TECHNOLOGIES

With the advancement of technologies, we are also working in tandem to embrace these technologies to develop our products. During the year under review, we developed and launched 9 HP Power Tiller launched with electric start. To further strengthen our portfolio, we have collaborated with Zimeno Inc, d/b/a Monarch tractors, USA, – developer of electric, driver optional Tractor. We are also exploring other strategic tie-ups in this domain. Through various strategic alliances, our endeavour is to addresses the challenges faced by farmers by leveraging electrification, automation, machine learning, and data analysis. We believe this will not only enable farmers to enhance

their existing operations, increase labor productivity and safety, but also maximize yields to cut overhead costs and reduce emissions.

STRENGTHENING OUR FOOTPRINTS IN GLOBAL EXPORT

On international front, we are an established player in Europe, particularly in Western Europe, and we are strengthening our position in France, Belgium, Germany, Netherlands, Spain, and Portugal. We continue to cement our position across the Globe and our exports have grown substantially in the past three years in the compact tractor and power tiller market.

We endeavour to penetrate the African market, for which we have partnered with a prominent distributor in South Africa. We have also expanded our network in Ecuador, Haiti, and Vietnam. We will be launching more products next year through VST Zetor and expect strong growth in this region.

Additionally, we have also increased our primary channels from 16 to 38 countries whereas our secondary channel from 50 dealers to 142 dealers in FY22. We have also launched several new products including NGT 918, 922, 927, 929 EGT, and VST 932, with competitive price positioning.

Increase primary Channel from

16 to 38
countries

INNOVATING NEW PRODUCTS

We continue to expand and strengthen our offerings through investing in research and development of new and proven products that address the diverse needs of our customers. During the year under review, we introduced 9 HP power tiller – a one-of-its-kind machine that functions of both weeder as well as power tiller. In view of its compactness, it is most suitable for row crops like vegetable and flower gardens, and also being a 9HP powered machine, it can be operated on wetland cultivation of paddy which is very unique in this segment. We are also focusing on developing new and unique products for specific crops such as Ginger and Turmeric and also unique attachments like spader.

Operational Excellence

Increasing overall operational efficiency

Over the years, we continue to invest in strategic projects that we believe, will drive revenue growth & ensure operational excellence and cost efficiency. In pursuit of operational excellence, we continue to drive efficiencies across our processes and invest in state-of-the-art technologies.

MERGING COMPACT AND HIGHER HP ASSEMBLY LINES

During the year under review, we combined two manufacturing lines i.e. assembly lines for building Compact Tractors (with horsepower ranging from 17 to 27) and Higher HP Tractors (with horsepower ranging from 30 to 50). The combination of the lines into a single assembly line will enable to ensure resource and operational efficiency.

KITTING IMPLEMENTATION IN ASSEMBLY LINE

The number of higher HP assembly line models increased with capacities ranging from 17 to 50 HP. Model mix on the assembly line made it challenging to store materials line-side, and delays in feeding the

material which also led to longer search time. We implemented the kitting concept in the tractor assembly process to address these issues, and together with the chassis one kitting will be fed into the line with full kit material. This not only enabled us to increase our productivity but also reduce our cost.

DIGITISATION

We, at VST, have been leveraging the technologies and platforms to further strengthen and streamline our operations as well as increase the overall efficiency of our processes. We have integrated SAP - the world class ERP system - to integrate all functions, right from finance and material procurement to Quality assurance and sales and

marketing, under one platform. This has empowered us to ensure accurate data capturing at all stages and simplify complex transactions to improve efficiency and provide effective results with least effort and time.

We have also implemented Theory of Constraints (TOC) - an efficient and effective way of ensuring availability of products for customers while ensuring availability of raw materials and components for production. It has been integrated with other software which ensures a clear flow of information to all the stakeholders while providing clear visibility to the entire supply chain.

We also built various tools and portals such as Supplier Relationship Management (SRM), Product Lifecycle Management (PLM), Warehouse Management System (WMS) and Travel Management System to increase transparency and strengthen our operations. We also made e-catalogue and Marketing Catalogue which was hosted on Google Play Store providing detail information of our products.



Sustainability

Committed to the green cause

We endeavour to optimise our resources and minimising the negative impact on people, planet and communities. We have developed a robust corporate sustainability strategy with a key emphasis on environmental stewardship and social responsibility. By incorporating sustainable development into our business, we are striving to make a difference in the community we serve.

ENVIRONMENT

We continue to take measures to decrease the adverse impact of our operations on the natural ecosystem and the communities in which we operate. We ensure a clean environment by making positive contributions to water conservation, energy efficiency, and increased renewable energy use. In addition, we work towards reducing carbon emission, rain water harvesting and promoting appropriate waste management measures.

500 KW

Solar panel installed at Mysore & Malur and another 600 KW installation is in pipeline for Hosur Location. This enables us to consume about 40% of our power requirements from renewable source.

84.6%

Water recycled and reused

45

Stacks installed to reduce air pollution

934 KL

Rainwater harvesting capacity

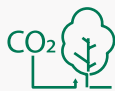
17%

Green belt developed in and around Malur plant

FOCUS AREAS



Water conservation



Reduction of air pollution



Energy efficiency



Increased use of renewable energy



Waste management



CSR

Creating a positive impact

As a responsible organisation, we try to create a positive impact on communities in areas where we operate and also on people's lives. We have been actively involved in social and economic development projects in the communities where we operate. Our CSR activities are focused around providing education and improving the livelihood of physically disabled people.



Awards



Certifications



Management discussion and Analysis

Global economy

The second wave of Covid-19 impacted lives in early 2021, businesses in countries bounced back in second half to record healthy economic growth. According to the IMF, the global economic output grew by 6.1%, following a contraction of 3.4% in 2020. With the fading of lockdown restrictions and economic activities regaining momentum, consumer spending is experiencing a major upswing.

Overall trade in gross value terms has recovered, surpassing the pre-pandemic levels for 2021. This was led by a combination of accommodating fiscal and monetary policies by various governments. However, the recent geo-political conflict between Russia and Ukraine has led to increase in commodity prices and an unprecedented rise in inflation. Nonetheless, barring the externalities, the global economic growth is likely to witness a promising recovery.

Indian Economy

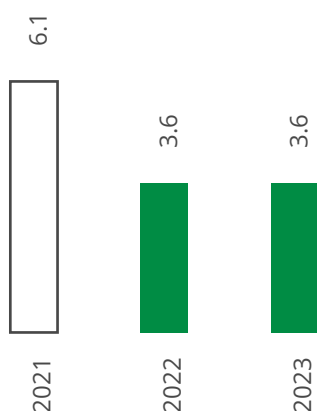
Following a moderation of the economic output in FY2021, the Indian economy, in real GDP terms, expanded by 8.7% in FY2022 to be worth Rs 147.36 lakh crore.

Further, the real GDP is likely to expand between 8% and 8.5% in FY2023. Agriculture and allied industries have been the least impacted sectors, maintaining a steady growth during the fiscal. In FY2022, the sector accounted for 18.8% of the country's Gross Value Added (GVA), owing to the growth of 3.6% and 3.9% in FY2021 and FY2022, respectively. Among the several factors, crop diversity, minimum support price (MSP) policy, favourable rainfall and better yields provided the farmers a higher income. The Union Budget 2022-23 also announced substantial investment in agriculture sector. An estimated budget of Rs. 68,000 crore for PM-KISAN, while all other programmes of the Ministry of Agriculture and Farmers' Welfare including interest subsidy and crop insurance, have been allocated Rs 64,514 crore in 2022-23.

Moving forward, India is on its way to becoming one of the fastest growing major economies, backed by favourable fiscal policies, deregulation of industries, abolishment of retrospective taxes etc. However, elevated inflation, higher interest rates and unpredictable geo-political situations continue to pose certain downside risks. Nonetheless, India has always demonstrated strong resilience in the face of crisis and is well equipped to tackle minor impediments.

GROWTH PROJECTIONS

(in %)



Source: IMF, WEO April 2022 (<https://www.imf.org/-/media/Files/Publications/WEO/2022/April/English/text.ashx>)

GROSS DOMESTIC OUTPUT (CONSTANT PRICES, BASE YEAR: 2011-12)

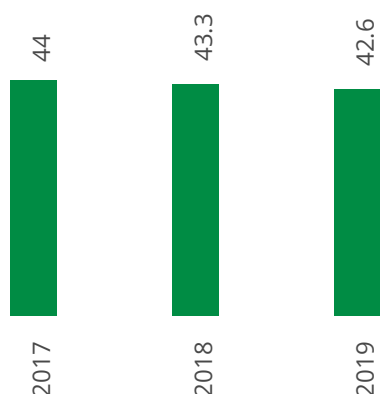


Source- National accounts statistics, MoSPI

Indian agricultural equipment industry

Farm mechanisation plays a critical role in sustaining agriculture growth. In India, about half the population relies on agriculture, directly or indirectly. As labour shortage continues to be the biggest drawback for agriculture growth, modern farm mechanisation is imperative to sustain agriculture growth. As per World Bank report, employment in agriculture has been reducing in recent past, leading to increasing adoption of farm mechanisation equipment. The Indian agricultural machinery market is projected to record a CAGR of 4.9% during 2022-2027. Agricultural equipment, such as tractors, power tillers, harvesters, and spraying equipment are experiencing rising demand.

INDIA AGRICULTURAL MACHINERY MARKET: EMPLOYMENT IN AGRICULTURE(% OF TOTAL EMPLOYMENT INDIA, 2017-2019)



Source- National accounts statistics, MoSPI

India accounts for about one-third of the tractors in the world, making the Indian tractor industry one of the largest in the world. Several economic, social, as well as macroeconomic factors, such as urbanisation, surging food demand, easy credit schemes and subsidies on farm equipment by the government are considered to be the major growth drivers.

With the advent of diverse products, farmers now have the liberty to choose the most suitable equipment, and are resorting to technological advancements for better yield.

Megatrends in farm mechanisation

Price to value proposition

In India, majority of the farmers operate in less than five acres of land and therefore Small and marginal farmers who cannot afford to buy expensive equipment are either opting to hire equipment for ploughing, irrigation, harvesting, and threshing activities or are keen to buy reasonable priced farm equipment. Thus, the demand for small agricultural machinery/implements (individually operated) is growing as per capita landholding of Indian farmers is reducing.

Small Farm machines on rise

Small farm machines including Power tiller, other equipment are gaining significant traction. Its value for money and replacement of human labour through the use of a motorised tilling mechanism has helped farmers to garner more agricultural throughput with minimum resources. Introduction of higher power tillers with ride on seats has made it more user-friendly aiding in its faster adoption in farm mechanisation.

Rise of precision farming

The future of precision technologies in India for agricultural sector is on the rise. One, automation of farm activities with smart machines. Second, remote sensing of detailed farm parameters that enable these machines to act with precision continues to create desired outcomes. Imagery analytics, artificial intelligence and machine learning will help to generate commercial benefits for the small farmer community and opening up many possibilities for farming in the future.

Tractorisation to Mechanisation

In the recent few years, mechanisation and digitisation have played a crucial role in transforming the agriculture space. Farm mechanization has been a catalytic instrument to facilitate higher output and productivity. This has resulted with significant increase in investment and spending towards development and adoption of farm mechanisation as well as introduction of crop specific planters, crop management machinery and harvesting equipments.

Opportunities and threats

Opportunities

Rising demand for food

The government is striving to cater to the rising food demand and has introduced initiatives to provide the marginalised with food grains, which further drives demand.

Innovative products

The advanced machineries, which are technologically enabled and improve the 'more output per acre' are finding acceptance among the farmer community

Higher purchasing power

The recent growth in agriculture sector has improved the disposal income of the farmers. Favourable price realisations and 'right price' have resulted the farmers investing in modern equipment for higher yield.

Contract farming

New age start-ups and increase in contract farming model is on the rise. Farmers are increasingly adopting contract farming for its higher-quality produce and subsequent technical and financial support that comes along

Easy credit availability

Credit availability for the Tractor and ancillary equipment sector to grow. However, more credit support is needed for small farm mechanisation.

Threats

Infrastructure

The rural infrastructure requires improvement, investment and transformation for the seamless adoption of the mechanisation process.

Credit for small farmers

Credit providing channels are still not fully equipped to facilitate the small and marginal farmers

Dependency on Monsoon

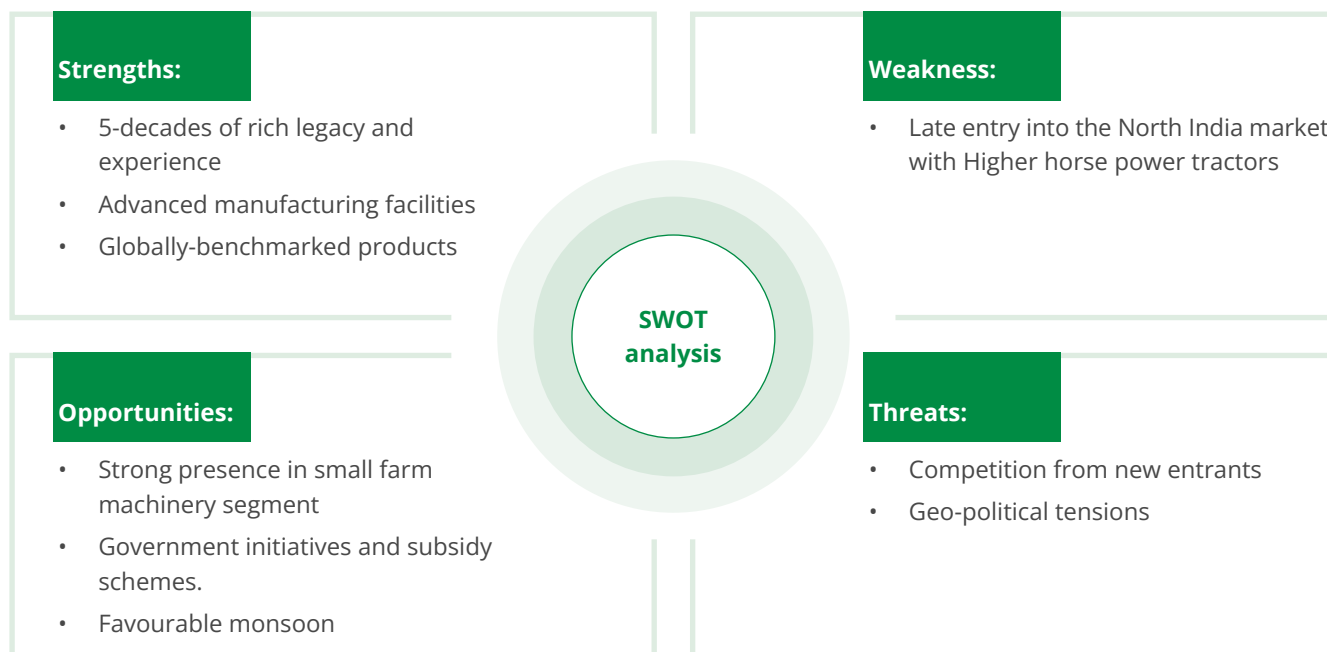
A significant portion of the country's arable land is dependent on precipitation. Thus, inadequate amount of rainfall during the plantation season could have adverse impact on the economic activity in the agriculture sector and industries linked to it.



Company overview

Established in 1967, by the VST Group of companies, VST Tillers Tractors Limited is involved in the manufacturing and trading of tractors, power reapers, rotary tillers, power weeders, engines spares, lubes, precision, and is the largest producer of power tillers in India. The

Company's manufacturing plants in India are located at Malur, Mysore and Hosur. The continued focus on new product development and increasing market share in domestic market, the company is now increasing its foothold in international markets for its compact tractors, and is already present in more than 30 countries.



Financial review

Particulars	(Rs in lakhs)		
	2021-22	2020-21	YoY Change (in%)
Revenue from operations	85,386	76,424	11.72
PBT	13,218	11,922	10.87
PAT	9,931	9,077	9.41
Net Worth	74,953	66,757	12.28

Key ratios

In accordance with the SEBI (listing obligations and disclosure requirements) regulations 2018, the Company is required to provide details of changes of 25% or more, against the previous financial year in key financial ratios, along with detailed explanations. Therefore, the key financial ratios are given below:

Ratios	2021-22	2020-21	YoY Change
Debtors turnover ratio	11.43	8.59	33.11%*
Inventory turnover ratios	5.57	4.87	14.39%
Interest coverage ratio	118.79	89.35	29.44%#
Current ratio	3.44	3.16	9.07%
Gross profit margin (In %)	32.29	33	(2.15)%
Net profit margin (In %)	11.63	11.88	(2.08)%
Debt equity ratio (In %)	Nil	Nil	-
Return on net worth (in %)	11.49	10.51	9.40

Due to increase in EBITA

* Due to increase in sales.



Business segment overview

Small Farm Machinery

The company made steady progress towards its goal of moving from power tiller to Small Farm Mechanization business. It has formed a strategic partnership with Pubert, a French company that offers small agricultural machinery, leveraging its 500+ dealer network to provide high-quality products to Indian farmers. In its small farm machinery market, the company has sold 31,776 units of power tillers. During the year, it introduced new products in power weeder, brush cutter segment etc., widening its product range.

Tractors

The company has been able to capture market share of 7% for its compact tractors business. During the year, the company sold 7791 units of tractors. In order to expand its distribution network, the company had added 104 new dealers in FY 2021-22. The new higher horse power products introduced have enabled the company to penetrate other Indian markets of Northern and Eastern states.

International business

The company has established a strong foothold in Europe. It is further planning to strengthen its position in other countries including France, Belgium, Germany, Netherlands, Spain, and Portugal. The company is placing a special emphasis on penetrating in the African market. The company has increased its primary channels from 16 to 38 countries and its secondary channel from 50 dealers to 142 dealers in FY22. The Company has also launched new products including NGT 918, 922, 927, 929 EGT, and VST 932 during the year. Going ahead, the company is planning to launch more products. In both the compact tractor and higher horse power tractor space.

Risk and concern

Purchasing power of farmers: Small and marginalised farmers having small landholdings, find it difficult to invest in mechanised equipment. Along with crop seasonality and lack of buying power make them sceptical to buy modern farm equipment.

Mitigation: The Company has partnered with many NBFCs and banks for easier credit facility for farmers to buy its mechanised products. Also, various government subsidies are considered to empower farmers to buy its diversified product portfolio.

Unique product offerings: Indian agricultural ecosystem is very unique compared to most industrialised nations. The land is severely fragmented. Farming in India varies geographically, by crop, and regional agricultural infrastructure. This necessitates the design and development of products that can be easily customised to meet unique needs and situations.

Mitigation: The company closely monitors farmer feedback on field and improve its product development accordingly. Based on the crops and geographical locations, the company is introducing new products that will bring higher yield for the farmers. The company also holds training events to provide product information, conduct demonstration and other product-knowledge sessions through its distributor network.

Competition: : There is stiff competition in the tractor segment in both the domestic as well as international markets. The entry of new players also puts pressure on profit margins and sales.

Mitigation: The constant innovation, unique offerings and cutting-edge products give the company a competitive edge over the competitors. New and innovative products have been launched by the company, and many more will be launched in the near future.

Outlook

With increasing demand for small farm machines, the Company is favourably positioned to reach its operational targets. The Company continues to diversify its offerings from power tillers to a broad range of small farm machineries such as power weeders, Power Reapers and brush cutters. Leveraging its decades of experience and strong market presence, the Company continues to explore collaboration with international companies for cost-effective and new innovative technology-led products for Indian market, such as electric tractors.

With the growing demand for energy-efficient and environment-friendly equipment for the agriculture sector, products like the electric tractor are gaining prominence. To be on the forefront of these transformations, company has made investment in Zimeno Inc, b/d/a Monarch Tractor and is also working on other strategic alliances.

Human Resources

The Company considers its employees' capabilities and well-being as the critical method to achieving

organisational goals. It strives to create an inclusive culture that is open to all and promotes diversity. It significantly invests in the training and development of all new as well as existing employees to meet the skills required of the dynamic business environment. As on 31st March 2022, the company had 649 Nos. of permanent employees on its role.

Internal control systems and their adequacy

The Company has put in place adequate internal financial controls over financial reporting Systems commensurate to the nature of its business and the complexity of its operations. These are regularly tested for their effectiveness by Statutory and Internal Auditors. The Company periodically conducts physical verification of inventory, fixed assets and cash on hand and matches them with the books of account. Explanations are sought for any variance noticed from the respective functional heads. The auditors' observations and follow-up actions if any reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's Internal Control Environment and monitors the implementation of the Audit recommendations.

Disclaimer

Certain statements in the MDA section concerning future prospects may be forward-looking statements that involve several underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether due to new information, future events, or otherwise.

Board's Report

Dear Members,

Your directors are pleased to present 54th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

FINANCIAL PERFORMANCE

(Amount in lakhs)

Particulars	Year 2021-22	Year 2020-21
Operating Income	85,386	76,424
Non-Operating Income	3,409	4,608
Total Income	88,795	81,032
Finance Cost	105	154
Depreciation	2,504	1,708
Total Expenses	75,577	69,110
Exceptional Item	-	-
Profit Before Tax	13,218	11,922
Tax	3,287	2,845
Profit After Tax	9,931	9,077
Other Comprehensive Income	-6.40	-11
Total Comprehensive Income	9,924	9,066
Earning Per Share (Basic and Diluted) (Amount in Rupees)	114.95	105.07

PERFORMANCE HIGHLIGHTS

During the year under review i.e. FY 2021-22, your Company's Operating income is Rs 85,386 lakhs as against Rs 76,424 lakhs in the previous year FY 2020-21 (increased by 11.73 %) and the Profit Before Tax (PBT) for the FY 2021-22 is Rs 13,218 lakhs as against Rs 11,922 lakhs in the previous year FY 2020-21 (increased by 10.87%). Profit after Tax (PAT) for the FY 2021-22 is Rs 9,931 lakhs as against Rs 9,078 lakhs in the previous year FY 2020-21 (increased by 9.41%). With respect to volumes, your Company has done 31,776 Nos of tillers against the previous year of 27,318 Nos and on tractors, 7,991 Nos against previous year of 8,835 Nos of tractors.

Despite challenging market conditions, your Company's Compact Tractor market share stood at 7% and power tiller market share at 58 % in FY22.

Your Company continues with cost restructuring exercises and efficiency improvements which have resulted in savings through continued focus on cost controls and process efficiencies in all areas thereby enabling the Company to maintain profitable growth in the current economic scenario.

COVID 19 IMPACT

The COVID-19 pandemic has led to the unprecedented health crisis and has disrupted economic activities and global trade. During the year under review, the nation experienced high severity and mortality during the second wave of COVID-19 pandemic. With continues lockdowns and disruption in regular economic activities, there was supply chain disruption, price volatility of raw materials and sluggish market demand during first half of the year under review. However, the Company dealt with the pandemic by continuing to focus on operational excellence, marketing strategies, and keeping its employees and community at the core of it.

The Company is focused on executing a strong Environmental, Social, and Governance proposition by working with all relevant stakeholders as well as in its own operations. During the Covid-19 pandemic, in the last 2 years, the Company driven by intense collaboration among its teams prioritized on safety, health and well-being of its employees including communities. We pursued vaccination of our workforce and their family members.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your Company deals with single segment only i.e. "Manufacturing of Agricultural Machineries".

DIVIDEND

Based on Profits during the FY 2021-22 and continuing the tradition of rewarding the members, your Board of Directors based on the parameters laid down in the Dividend Distribution Policy, recommended a dividend of Rs. 20 /- per equity share of face value of Rs.10 each (i.e. @ 200 %) payable to those members whose names appear in the Register of Members as on the Book Closure / Record Date. The Dividend will be disbursed on or after August 22, 2022, if approved by the members at the 54th AGM. The total outflow will be Rs. 17.28 Crores

TRANSFER TO RESERVES

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

QUALITY INITIATIVES

For Operational Excellence, as it is necessary to be continually introspective of readiness into the future. It not only helps benchmark an existing state of excellence in a realistic way but also provides seasoned advisory on what needs to be done for emulating the best in the industry. Few of the Quality Initiatives are given below:

- **IMexI Initiative(Integrated manufacturing excellence Initiative)**
 - o 3 Days Assessment conducted by Kaizen Hansei / Kaizen Institute team.
 - o Received Exemplary prize for VST – Hosur plant
 - o Workshop conducted to understand the Improvement areas based on assessment & identified 23 strategic projects for Excellence in all areas of performance.
- **TQM Kick off**
 - o DWM Mapping in Operations (Daily workflow management)
 - o 5S & Kaizen Initiative
 - o Trainings for Capability building of the people initiated

- **The Company continues to sustain its commitment to the highest levels of quality.**

- o The Company successfully completed the annual Recertification audit for QMS - ISO 9001:2015
- o The Company successfully completed the annual Surveillance audit and retained the ISO certification for EMS & Safety - ISO14001:2015 & ISO 45001:2018
- Received Platinum award for VST Hosur plant by ABKAOTS SHEC – 2022 on Safety, Health & Environment.
- Initiated QCC (Quality Control Circle) at all the plants of VST & participated in External competition at ABK – AOTS DOSOKAI, Tamilnadu Centre
 - o Rhodium category award for VST Mysore Plant
 - o Platinum & Gold category award for Hosur Plant
 - o Gold & Silver category award for Malur Plant

DETAILS OF DIRECTORS AND KMP APPOINTMENT/ REAPPOINTMENT

Ms. Siva Kameswari Vissa (02336249), Independent Director had completed her 1st term of 5 years on July 28, 2021, and she was reappointment as an Independent Director by the shareholders for 2nd term of 5 years effective from July 29, 2022 and she is not liable to retire by rotation.

Mr. Bijanki Jagannath (DIN-00396161), Independent Director has resigned from Directorship of the Company on June 14, 2021, due to his personal reason. There was no material reason other than those mentioned in the resignation letter.

Dr. Nandakumar Jairam (DIN- 00321693) was appointed as an Independent Director by the shareholders for a period of 5 years, w.e.f. June 21, 2021 and he is not liable to retire by rotation.

In the opinion of the Board the Independent Directors possesses integrity, expertise and experience (including the proficiency).

Mr. V.T.Ravindra and Mr. V.S. Arun will be retire by rotation and, being eligible, offer themselves for re-appointment at the 54th Annual General Meeting of the Company scheduled to be held on August 19, 2022.

KEY MANAGERIAL PERSONNEL (KMP)

The following persons are Key Managerial Personnel (KMP) of the Company under section 203 of the Companies Act, 2013, during the year 2021-22.

1. Mr. V.T. Ravindra - Managing Director
2. Mr. Antony Cherukara - Chief Executive Officer
3. Mr. Pankaj Khemka - Chief Financial Officer
4. Mr. Chinmaya Khatua - Company Secretary

CORPORATE GOVERNANCE

As per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company is provided in this Report. A report of the Statutory Auditors of the Company confirming the compliance of conditions of Corporate Governance as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report.

Compliance reports in respect of all laws applicable to the Company have been reviewed by the Board of Directors.

DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013

- (a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year on March 31, 2022 and of the profit and loss of the company for that period;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) That the annual accounts have been prepared on a going concern basis;
- (e) That the internal financial controls to be followed by the company have been laid down and that such internal financial controls are adequate and are operating effectively;
- (f) That proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors including the audit of internal financial controls over financial reporting by the Internal Auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

AUDITORS

M/s. K.S. Rao & Co, Chartered Accountants (Firm Regd. No. 003109S), were re-appointed for a second term of five financial years as Statutory Auditors of the Company effective from the financial year 2021-22, at the 53rd Annual General Meeting ("AGM") held during 2021.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the Board of Directors, on the recommendation of the Audit Committee have appointed M/s. Rao, Murthy & Associates (Firm Registration No-00065), Practicing Cost Accountant, as the Cost Auditor of the Company for the Financial Year 2022-23. The remuneration payable to the Cost Auditor is subject to ratification of members at the ensuing AGM and same is included in 54th AGM Notice.

The Company has made and maintained cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

INTERNAL AUDITORS

M/s. Brahmayya & Co, Chartered Accountant were appointed as Internal Auditors under section 138 of the Companies Act, 2013 for the financial year 2021-22.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and read with Rules made there under, the Board had appointed Thirupal Gorige & Associates LLP, Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report is enclosed herewith as Annexure-4.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure 1 to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under Section 134 Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure-2.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Chapter- V of the Companies Act, 2013 and rules made thereunder.

INDUSTRIAL RELATION

The year under review witnessed a very positive Industrial Relations scenario across all manufacturing locations at Mysore, Malur and Hosur plants during the year.

There were 630 of permanent employees on roll as on March 31, 2022.

SAFETY, HEALTH AND ENVIRONMENT

V.S.T. considers its people as the most valuable assets and upholding their mental and physical health is top priority. V.S.T. is a safe workplace and the Safety & Health of our employees as per the requirement of the Factories Act are ensured. Our motto is "Zero Accident". Our commitment is to protect the environment as per the policy. The Company has been taking all its adequate safety measures for prevention of COVID 19 at all our work locations.

At each Plant location, annual events like National Safety Day/Month and Fire Service Week were organized. As per new normal, various topics were deployed to train employees on Safety, Health and Environment.

The following are some of the key initiatives undertaken during FY 2021-22:

- Conducting safety audits, led by the National Safety Council, at each operating location, and developing action plans based on the audit findings
- Strengthening the consequence management system and creating awareness across locations
- Taking our Proactive Safety Indicators to the next level

INFORMATION TECHNOLOGY

Your company's transactions and operations are run on a robust ERP – SAP, which is completely operational and functionally stabilized.

To ensure uninterrupted functioning of the systems, your company has its servers running on well-maintained data centres on premises, on Cloud as well as at a Co-Location data centre.

In the last few years, the company has implemented and established many new systems and processes like, Note For Approval (Digital Approval System), E-Catalogue (Exploded views of all assemblies, sub-assemblies and components) to help Service personnel find the right components during servicing, Travel Management System, Product Life Cycle Management, Engineering Change Tracker, Marketing Digital Catalogue app, Supplier Relationship Management etc.

BOARD MEETING

5 meetings of the Board of Directors were held during the Financial year. For further details, please refer report on Corporate Governance section of this Annual Report.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS

Mr. V.K. Surendra, Mr. V.P. Mahendra, Mr. V.V. Pravindra, Mr. V.T. Ravindra and Mr. V S Arun are promoters. Apart from the promoter directors, none of the other Directors are related to each other.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all independent directors as mentioned in sub-section (6) of section 149 of the Companies Act, 2013, Schedule- IV of the Act and relevant provision of SEBI (LODR) Regulations 2015. All the independent directors are registered with Independent Directors Data Bank.

The online proficiency self-assessment test conducted by Indian Institute of Corporate Affairs, has been undertaken by the Independent Director who is not exempted to do so.

COMMITTEES

The Company has constituted Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee. The details of the Committees are mentioned in Corporate Governance Report.

VIGIL MECHANISM CUM-WHISTLEBLOWER POLICY

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It is to protect employees wishing to raise a concern about serious irregularities within the Company.

The Company has vigil mechanism cum whistle blower policy to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism are explained in the Corporate Governance Report and also posted on the website <http://www.vsttractors.com/investors/policies> of the Company. The Company has not received any complaint during the financial year 2021-22.

AUDITORS QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER

There was no qualification, reservation or adverse remark or disclaimer from Statutory & Secretarial Auditors.

There was no fraud reported by the auditors under section 143(12) of the Companies Act, 2013.

LOANS, GUARANTEE & INVESTMENT

The Company has made investment during the financial year 2021-22. The investments details forms part of the notes to the financial statements provided in this Annual Report. The company has not given any Loan or Guarantee during the financial year 2021-22.

RELATED PARTY TRANSACTIONS

All related party transactions that are entered into during the financial year were on an arm's length basis. There are no materially significant related party transactions made by the company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their information and approval. The policy on dealing with Related Party Transactions as approved by the Board can be accessed at <http://www.vsttractors.com/investors/policies>.

The Related Party Transaction details including the transaction(s) of the Company if any, with a person/entity belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required pursuant to para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the notes to the financial statements provided in this Annual Report. Please refer the details in Annexure -5 for AOC-2 Form.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There are no material changes and commitments affecting the financial position of the company which have occurred between end of the financial year of the company to which the financial statements relate and the date of the report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Policy, inter-alia, provides for criteria and qualifications for appointment of Director, Key Managerial Personnel and Senior Management, Board diversity, remuneration to Directors, Key Managerial Personnel, etc. The policy can be accessed at the following link: <https://www.vsttractors.com/investors/policies>

RISK MANAGEMENT

The Company has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) approving the Company's Risk Management Framework and (b) overseeing all the risks that the organization faces such as strategic, financial, liquidity, security, regulatory, legal and other risks that have been identified and assessed to ensure that there is a sound Risk Management Policy in place to address such concerns / risks.

The risk pertaining to business of the Company is discussed at the Risk Management Committee, Audit Committee and at the Board Meetings on regular basis.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has formed CSR policy and Committee as required by the Act and same are available in Company website i.e. <http://www.vsttractors.com/investors/policies>. During the financial year 2021-22 the Company had spent Rs. 1.59 crores in CSR Activities. The CSR details forms part of annexure -3 to the Board's Report. For more details, please refer Corporate Governance section of the Annual Report.

EVALUATION OF BOARD PERFORMANCE

The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive/non-executive/independent directors through a peer-evaluation excluding the director being evaluated. The evaluation of Board, Committees and Individual Directors was conducted as per the procedure followed by the Company. The details provided in the Corporate Governance section of the Annual Report.

There is no change in nature of the business during the year.

Details of subsidiary, Associate or joint Venture Company.

The company has no subsidiary company.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

VARIATION IN MARKET CAPITALISATION

Date	Paid up Capital (in Rs.)	Closing Market Price per shares	EPS	PE Ratio	Market Capitalisation (Rs. in Lakhs)
31.03.2021	8,63,95,280	1,782.45	105.06	16.96	154,902
31.03.2022	8,63,95,280	2,403.25	114.95	20.91	207,409
Increase/Decrease	NIL	620.80	9.89	3.95	52,507
% Increase/Decrease	NIL	34.83	9.41	23.29	33.90
No of issue of shares during the year	-	-	-	-	-

Data Source: BSE Ltd.

Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has formed Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint was received during the financial year 2021-22.

OTHER DISCLOSURES

No disclosure or reporting is required with respect to the following items, as there were no transactions or not applicable during the year under review:

- The issue of equity shares with differential rights as to dividend, voting or otherwise.
- The issue of shares to the employees of the company under any scheme (sweat equity or stock options). There is no change in the Share Capital Structure during the year under review.
- The company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees.
 - Redemption of shares/debentures
 - Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

- The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

Annual Return

Annual Return of the Company is available in Company website i.e. https://www.vsttractors.com/sites/default/files/2022-07/Annual_Return_FY21.pdf.

Secretarial Standards

The mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) have been duly complied by the Company.

Investor Education and Protection Fund

Company has transferred Rs.10,82,340 unpaid and unclaimed dividend to Investor Education and Protection Fund (IEPF) and further transferred 1761 Nos of shares to IEPF Authority as per IEPF Rules during the Financial Year 2021-22. As per said rule, any benefits such as dividend shall be transferred to IEPF with respect to shares transferred to IEPF and accordingly dividend of the corresponding shares transferred to IEPF, has also been transferred to IEPF. The details of such Dividends and shares are available in Company website at www.vsttractors.com. Mr. Chinmaya Khatua has been appointed as nodal officer under IEPF Rule.

The details of unclaimed dividends as on 31/03/2022 is given below:

Sl. No.	Financial Year	Unclaimed Dividend Amount (in RS)	No of corresponding Shares	Due date of Transfer to IEPF
1	2014-15	979965	65331	11/09/2022
2	2015-16(Interim)	987030	65802	28/04/2023
3	2016-17	1023690	68246	11/09/2024
4	2017-18	2166050	43321	11/09/2025
5	2018-19	615045	41003	12/09/2026
6	2019-20(Interim)	641820	42788	17/04/2027
7	2020-21	687379	39736	13/10/2028

Details of Nodal officer:

Name- Mr. Chinmaya Khatua, Company Secretary

Email- investors@vsttractors.com

Phone No- 080-67141111

The above details are available in Company website:
www.vsttractors.com

at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of India, the State Governments and other regulatory authorities and government agencies for their support and look forward to their continued support in the future.

ACKNOWLEDGEMENTS

Your directors thank all customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees

for **V.S.T. TILLERS TRACTORS LTD.**

Place: Bengaluru
Date: 09/05/2022

V. K.Surendra
Chairman
DIN:00459069

ANNEXURE-1

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the Financial Year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under

The ratio of the remuneration of each Director and KMP to the median remuneration of the employees of the company for the financial year as follows:

Sl. No.	Name	Designation	Remuneration 2021-22 (in Rs.)	Increase / Decrease in Remuneration (%)	Ratio/Times per Median of employee remuneration
1	Mr. V.T. Ravindra	Managing Director	76,48,703	16.07	16.9
2	Mr. Antony Cherukara	CEO	1,74,41,488	30.43	38.60
3	Mr. Pankaj Khemka	CFO	53,02,483	209.60	11.77
4	Mr. Chinmaya Khatua	Company Secretary	24,53,532	28.06	5.40
5	Mr. V K Surendra	Chairman	7,50,000	150	1.60
6	Mr. R. Subramanian	Director	4,50,000	(25)	1
7	Mr. M.K. Bannerjee	Director	10,00,000	-4.76	2.20
8	Mr. K M Pai	Director	10,00,000	5.26	2.20
9	Ms. Siva Kameswari Vissa	Director	5,00,000	-16.67	1.10
10	Mr. B. Jagannath#	Director	-	NA	-
11	Mr. V V Pravindra	Director	3,50,000	133.33	0.70
12	Mr. V S Arun	Director	5,00,000	400	1.10
13	V P Mahendra###	Vice Chairman	42,04,000	-57	9.30
14	Nandakumar Jairam##	Director	2,50,000	NA	0.55

The Company's PAT has increased from Rs 9078 lakhs to Rs 9931 lakhs. The increase in KMP remuneration is in line with the current market scenario and with Company's policy. However, salary of Managing Director was approved by the shareholders.

The Company has given about 8% average increase in salaries to the employees keeping in view the overall industry standard and interest of the employees. The unionized employees of the Company are eligible for salary increment as per the terms and conditions of their wage settlement. There is no exceptional circumstances of increase in the managerial remuneration.

The Company has 649 Nos permanent employees on roll as on March 31, 2022. The Company fixes salary of the employees on the basis of Remuneration Policy of the Company. The average increase in median remuneration of employees during the year 2021-22 is about 15%.

Payment of Commission to Managing Director - commission on net profit of the Company as approved by the Members.

Name	Designation	Commission
Mr. V T Ravindra	Managing Director	One percent on the net profit of the Company subject to a maximum of one and half times of annual basic salary drawn

Mr Antony Cherukara, CEO received remuneration in excess of the highest paid director during the year considering his salary for the full year.

Note:

1. All the appointments are permanent in nature & as per the service contract of the Company and can be terminated by giving notice by either party.
2. Mr. V.T. Ravindra , Mr. V K Surendra, Mr. V P Mahendra, Mr. V V Pravindra and Mr. V V Pravindra belongs to promoter and promoter group.

The information required under Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure (s) forming part of the Annual Report. The information in respect of employees of the Company required pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available before the Annual General Meeting in electronic mode to any shareholder upon a request sent to vstagm@vsttractors.com.

Mr. Bijanki Jagannath resigned from the post of Independent Director on June 14, 2021.

Dr. Nandakumar Jairam has joined as an independent director w.e.f June 21, 2021.

Mr. V.P.Mahendra retired from the post of Managing Director on February 20,2021. He is continuing as Non-executive director and Vice chairman. His remuneration includes Rs. 36.04 lakhs as short term benefit eligible for managing director but paid during FY22.

Promoter Directors have not taken full sitting fees for the Financial Year 2020-21 due to Covid-19, Hence there is a increase in sitting fees percentage while comparing with Financial year 2021-22.

Mr. Pankaj Khemka (CFO) was appointed in November 2020, Hence there is a increase in salary percentage while comparing with Financial year 2021-22.

All the eligible employees including KMPs have received variable pay (part of the CTC) during FY22. Hence there is an increase in salary percentage while comparing with FY21.

ANNEXURE-2

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. CONSERVATION OF ENERGY:

Your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources.

The company has taken various steps for conservation of energy and to utilise the alternative sources of energy. The details are given below:

1. Energy Audit of entire plant
2. Conversion of street lights to LED street lights
3. Power factor panel is installed for monitoring efficiency.

a. MALUR PLANT:

- i. Installed 200 KW of Solar Power on Opex model and on Nett metering.
- ii. Installed Water treatment system which allows us to re-use 72% of water requirement per day.
- iii. Rain water conservation facility with the capacity of 1.34 Lakhs ltr.

b. MYSORE:

- i. Installed 300 KW of Solar Power on Opex model and on Nett metering.
- ii. Installed Water treatment system which allows us to re-use 65% of water requirement per day.

c. HOSUR:

- i. Installed 52kW of Solar Power. Installation of 600 KW on opex model is under process.
- ii. Installed Water treatment system which allows us to re-use about 82% of water requirement per day.
- iii. Rain water conservation facility with the capacity of 5 Lakhs ltr.

2. TECHNOLOGY ABSORPTION:

- a. New transient dynamometer with latest technology air intake system and fuel measurement system has been installed for testing newly developed engines.

- b. New data Acquisition system for field data capturing of tractors and other Agricultural Machines has been procured.
- c. FEA analysis and Adams (for load extraction with linkages) Introduced for validation of design before release.
- d. Higher HP Tractor PTO Dynamometer installed.
- e. VST in collaboration with various external R&D centers such as Indian Institute of science (IISc), Automotive Research association of India (ARAI) and other organisation has enhanced its R & D capabilities.
- f. Validation and Approval of different models of Rotavators has been taken up for establishing the performance standards which will be the input for attachment division.

3. BENEFITS DERIVED:

- a. New dynamometers facility will improve the optimization capabilities for new series of higher Hp engine which are currently under development.
- b. The data Acquisition system will facilitate on-field data Acquisition while tractor is running in the field there by accurate measurements on Horse Power and Torque can be captured during various applications and this will become input for better design optimization.
- c. New PLM software will systematize the design and drawing release process which will reduce the drawing release lead time as well as streamline the release process thereby protecting the intellectual property.
- d. The new higher HP dynamometer will support testing of the higher hp tractors for PTO and validation for certification.

Expenditure on R&D:

The Companies expenditure on R&D during the year was Rs. 37 Crores.

Foreign exchange earnings and outgo: Total foreign exchange used and earned:

Foreign exchange earnings: Rs. 73.77 crores

Foreign exchange outgo : Rs. 10.62 crores

ANNEXURE-3

The Annual Report on CSR Activities

- Brief outline on CSR Policy of the Company: The Company has been doing CSR activities directly or through other entities since many years. The purpose of this policy to actively contribute to the social and economic development of the communities in which we operate.

Details are available in Company website www.vsttractors.com.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. V.K. Surendra	Chairman-Nonexecutive Director	2	2
2	Mr. M.K. Bannerjee	Member-Independent Director	2	2
3	Mr. V.P. Mahendra	Member-Nonexecutive Director	2	2
4	Mr. V V Pravindra	Member-Nonexecutive Director	2	2
5	Mr. Mr.K.M.Pai	Member-Independent Director	2	2

- The weblink for CSR Policy is <https://www.vsttractors.com/investors/policies> and weblinks for Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.vsttractors.com/investors/corporate-governance>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, : Not applicable.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Nil
- Average net profit of the company as per section 135(5). 2021-22: Rs. 7974.64 Lakhs
- Two percent of average net profit of the company as per section 135(5) : Rs. 159.49 Lakhs
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
 - Amount required to be set off for the financial year, if any : Nil
 - Total CSR obligation for the financial year (7a+7b-7c) : Rs. 159.49 Lakhs
- CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year.	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
159.49 Lakhs	Nil	NA	-	-	-

- Details of CSR amount spent against ongoing projects for the financial year : Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year :

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR Registration number.
1.	To Provide scholarships to deserving students of Technical, Medical, Engineering, Diploma courses etc.	Promoting education	Yes	Bengaluru,	Karnataka	77.01 lakhs	No	V S Tiruvengadaswamy Mudaliar Memorial Trust	CSR00012652
2.	To support all activities related to education	Promoting education	Yes	Bengaluru,	Karnataka	75 lakhs	No	Smt.Kamala Bai Education Trust	CSR00017499
3.	Medical facility	Medical facility	Yes	Hosur,	Tamilnadu and Mysore, Karnataka	7.48 lakhs	Yes	Direct	
Total						159.49 lakhs			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 159.49 Lakhs

(g) Excess amount for set off, if any : Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years : Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Not applicable

Sd/-
V.T.Ravindra
DIN: 00396156

Sd/-
V.K. Surendra
DIN: 00459069

Place: Bengaluru
Date: May 9, 2022

ANNEXURE-4

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022 FORM No. MR3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members

VST TILLERS TRACTORS LIMITED

Regd. Office: Plot No-1, Dyavasandra Indl. Area,
Whitefield Road, Mahadevapura P.O,
Bangalore - 560 048.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VST TILLERS TRACTORS LIMITED** (CIN: L34101KA1967PLC001706) (hereinafter called the Company) (Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on, 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the audit period);
- (d) Securities and Exchange Board of India (Shares Based Employee Benefits) Regulations, 2014 shall be applicable for the period beginning 1st April 2021 to 12th August 2021 and the Securities and Exchange Board of India (share based employee benefits and sweat equity) Regulations, 2021 shall be applicable from 13th August 2021 to 31st March 2022; (Not applicable during the audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the audit period) and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 (Not applicable during the audit period).
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing obligations and disclosure Requirements) Regulation 2015 (LODR Regulations).

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws / guidelines/rules applicable specifically to the Company:

1. NIL

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place: Nil.

For **Thirupal Gorige & Associates LLP**
Practicing Company Secretaries

CS Thirupal Gorige
Designated Partner

Place: Bengaluru FCS No. 6680; CP No.6424
Date: 03-05-2022 UDIN: F006680D000259449

Note: This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To
The Members

VST TILLERS TRACTORS LIMITED

Regd. Office: Plot No-1, Dyavasandra Indl Area,
Whitefield Road, Mahadevapura P.O, Bangalore - 560 048.

Our report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management as conducted the affairs of the company

For **Thirupal Gorige & Associates LLP**
Practicing Company Secretaries

CS Thirupal Gorige

Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680D000259449

Place: Bengaluru
Date: 03-05-2022

ANNEXURE-5

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1 Details of contracts or arrangements or transactions not at arm's length basis: V.S.T. Tillers Tractors Ltd (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not at arm's length during FY 2021-22.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/ transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis - the company has not entered into any material related party transactions:

- a. Name(s) of the related party and nature of relationship: Not Applicable
- b. Nature of contracts / arrangements / transactions: Not Applicable
- c. Duration of the contracts / arrangements / transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e. Date(s) of approval by the Board, if any: Not Applicable
- f. Amount paid as advances, if any: None

on behalf of Board of Directors

Place: Bengaluru
Date: May 09, 2021

V. K. Surendra
Chairman
DIN: 00459069

ANNEXURE-6

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
VST TILLERS TRACTORS LIMITED
Regd.Off.: Plot No-1, Dyavasandra Indl.Layout
Whitefield Road, Mahadevapura Post,
Bengaluru-560048, Karnataka.

In pursuance of Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VST TILLERS TRACTORS LIMITED having CIN L34101KA1967PLC001706 and having registered office at Regd.Off.: Plot No-1, Dyavasandra Indl.Layout Whitefield Road, Mahadevapura Post, Bengaluru-560048, Karnataka (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate.

On the basis of the written disclosures/declarations received from the Directors of the Company and according to the verifications (including view Director Master Data & DIN status at the portal www.mca.gov.in) as considered necessary and to the best of our information, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Designation / Nature of Directorship	Date of appointment of company	Date of resignation
1.	Mr. V K Surendra	00459069	Chairperson, Non-Executive Director	29/09/1980	-
2.	Mr. V P Mahendra	00033270	Vice Chairman, Non-Executive Director	20/02/1984	-
3.	Mr. V V Pravindra	00239888	Non-Executive Director	28/07/2008	-
4.	Mr. V T Ravindra	00396156	Managing Director	27/05/2016	-
5.	Mr. V S Arun	01617103	Non-Executive Director	11/05/2018	-
6.	Mr. M K Bannerjee	00219178	Independent Director	12/06/1990	-
7.	Mr. R Subramanian	00357153	Independent Director	12/10/1990	-
8.	Mr. Kashinath M Pai	01171860	Independent Director	05/08/2015	-
9.	Mrs. Siva Kameswari Vissa	02336249	Independent Director	29/07/2016	-
10.	Mr. Bijanki Jagannath	00396161	Independent Director	27/12/2018	14/06/2021
11.	Mr. Nandakumar Jairam	00321693	Independent Director	21/06/2021	-

For **Thirupal Gorige & Associates LLP**
Practicing Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680D000257216

Place: Bengaluru
Date: 02-05-2022

Chief Executive Officer (CEO) And Chief Financial Officer (CFO) Certification

To,
The Board of Directors
V.S.T. TILLERS TRACTORS LTD

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of V.S.T. Tillers Tractors Limited ("the Company"), certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading.
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the listed entity during the year which are fraudulent, illegal or violate of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee wherever applicable:
 - (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal controls stem over financial reporting.

Antony Cherukara
Chief Executive Officer

Pankaj Khemka
Chief Financial Officer

Place : Bengaluru
Date : May 09 2022

Auditors' Certificate on Corporate Governance

To
The Members of
V.S.T. Tillers Tractors Limited

1. We have examined the compliance of conditions of Corporate Governance by V.S.T. Tillers Tractors Limited ("the Company"), for the year ended on March 31, 2022, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2022.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s K. S. Rao & Co**
Firm Reg. No. : 003109S
Chartered Accountants

Place : Bengaluru
Date : May 9, 2022

Hitesh Kumar P
Partner
Membership No.233734
UDIN: 22233734AIPRWR9100

Corporate Governance Report

PHILOSOPHY ON CORPORATE GOVERNANCE

The company believes that, corporate governance is the relationship between corporate managers, directors, investors and other stakeholders. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Your Company has a strong legacy of fair, transparent, and ethical governance practices.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and other provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

BOARD OF DIRECTORS

The Board of Directors along with various Committees provides guidance to the management and directs, supervises and controls the performance of the Company. Information provided to the Board includes quarterly and yearly results of the Company, Minutes of Audit and other Committees, information on recruitment and remuneration of senior officers just below the Board, review of annual operating plans and compliance report etc.

The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 2013, ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time

(a) Composition of the Board

Listing Regulations mandate that for a Company with non-executive Chairman, who is a Promoter, at least half of the Board should be Independent Directors. The composition and category, shareholdings, the attendance at Board Meetings and last AGM, number of Directorships in other Public Companies is as follows:

Name of the Director	Share Holdings	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Public Limited Companies in which Director	Chairman/ Member of the Committees
Mr. V. K. Surendra	1902034*	Non-Executive	5	Yes	1	0/2
Mr. R. Subramanian	Nil	Independent	5	Yes	1	2/0
Mr. M. K. Bannerjee	Nil	Independent	5	Yes	-	0/2
Mr. K.M. Pai	Nil	Independent	5	No	1	1/3
Ms. Siva Kameswari Vissa	Nil	Independent	5	Yes	8	0/7
Mr. Bijanki Jagannath	Nil	Independent	-	NA	NA	NA
Mr. V. P. Mahendra	627020*	Non-Executive	5	Yes	2	0/2
Mr. V. V. Pravindra	224146*	Non-Executive	5	Yes	-	-
Mr. V.T. Ravindra	28852*	Managing Director	5	Yes	-	-
Mr. V S Arun	220630*	Non-Executive	5	Yes	1	-
Dr. Nandakumar Jairam	50	Independent	5	yes	2	-

*Holding individually / jointly. Mr.V K Surendra, Mr.V P Mahendra, Mr.V V Pravindra, Mr.V.T. Ravindra & Mr.V S Arun are belonged to promoter group.

Note :

Committee Membership / Chairman of Audit Committee and Stake Holders Relationship Committee of Public Companies are considered.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director.

Based on the declarations received from the Independent Directors, the Board confirms that they meet the criteria of independence as mentioned under SEBI (LODR) Regulations and that they are independent of the management.

- Apart from Mr. V.K. Surendra, V.P. Mahendra, Mr. V.V. Pravindra, Mr. V.T. Ravindra and Mr. V S Arun none of the other Directors are related to each other.

List of other listed Companies in which Directors holding Directorship.

Name of the Director	Name of the other Listed Company	Category of Directorship
Mr. R.Subramanian	Lotus Eye Hospital & Institute Ltd	Independent Director
Mr. K M Pai	Oriental Bell Limited	Non-Executive Director (Independent Director w.e.f 1 st April 2022)
Mr. V P Mahendra	Kirloskar Electric Company Limited	Independent Director

Brief list of Skills/Expertise/Competencies identified by the Board:

Business:

- Business Management & Administration
- Experience in Automobile/Farm Equipment Marketing
- Technical

Finance & Taxation.

Governance:

Developing governance practices, serving the best interests of all stakeholders, and driving corporate ethics and values.

Integrity and ethical standards:

Adherence to compliance and defined procedure, protecting shareholders' interests and observing appropriate governance practices.

Leadership:

Extended leadership experience for, resulting in a practical understanding of organizations, processes, strategic planning and risk management.

Directors expertise and skills:

Name of the Directors	Business Management & Administration	Experience in Automobile/ Farm Machinery Marketing	Technical	Finance and Taxation	Governance	Integrity and ethical standards	Leadership
MR.V K SURENDRA	✓	✓	-	✓	✓	✓	✓
MR.R SUBRAMANIAN	✓	-	-	✓	✓	✓	✓
MR.MOLOY KUMAR BANNERJEE	✓	✓	-	✓	✓	✓	✓
MR.K M PAI	✓	-	-	✓	✓	✓	✓
MS. SIVA KAMESWARI VISSA	✓	-	-	✓	✓	✓	✓
MR.V P MAHENDRA	✓	✓	✓	✓	✓	✓	✓
MR.V V PRAVINDRA	✓	✓	✓	✓	✓	✓	✓
MR.V T RAVINDRA	✓	✓	✓	✓	✓	✓	✓

Name of the Directors	Business Management & Administration	Experience in Automobile/ Farm Machinery Marketing	Technical	Finance and Taxation	Governance	Integrity and ethical standards	Leadership
MR. V S ARUN	✓	✓	✓	✓	✓	✓	✓
MR. B JAGANNATH	✓	✓	✓		✓	✓	✓
DR. NANDAKUMAR JAIRAM	✓	-	-	✓	✓	✓	✓

In the table, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

(b) Details of Board Meetings:

During the year under review the Board met 5 times on 21/06/2021, 14/08/2021, 09/11/2021, 14/02/2022 & 14/03/2022.

(c) Code of Conduct:

The Company has formulated and implemented Code of Conduct for Board Members and Senior Management of the Company in compliance with SEBI (LODR) Regulation, 2015 and same is available in Company website i.e. www.vsttractors.com.

The certificate by CEO of the Company on compliance with the code of conduct is given below:

To,
The Board of Directors,
V.S.T. TILLERS TRACTORS LTD

It is hereby confirmed that the Directors and Senior Management have duly complied with the code of conduct laid down by the Company during the financial year ended March 31, 2022.

Place: Bengaluru
Date: May 09, 2022

Antony Cherukara
Chief Executive Officer

COMMITTEE MEETINGS :

Audit Committee Composition

At present the Audit Committee comprises of four independent Directors of the Company. All the members of Audit Committee are financially literate.

Terms of Reference:

Audit Committee is vested with the powers and the role that are in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013 and code of conduct for Insider Trading. The terms of reference of the Audit Committee, inter alia, include

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible;
2. Recommend appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;

- c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings, if any.
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report, if any.
5. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 6. Approval or/and any subsequent modification of transactions of the Company with related parties;
 7. Scrutiny of inter-corporate loans and investments;
 8. Valuation of undertakings or assets of the Company, wherever it is necessary;
 9. Evaluation of internal financial controls and risk management systems;
 10. Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
 11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

Details of Audit Committee Meetings:

During the year under review the Audit Committee met four times on 21/06/2021, 14/08/2021, 09/11/2021 & 14/02/2022. Required quorum was present for all the meetings.

Sl. No.	Name of the Member	Designation	Attended
1	Mr. R. Subramanian	Chairman	4
2	Mr. M. K. Bannerjee	Member	4
3	Mr K M Pai	Member	4
4	Ms. Siva Kameswari Vissa	Member	4

The Company Secretary acts as the secretary to the Audit Committee. All members of the Audit Committee are financially literate and have accounting and related financial management expertise

Corporate Social Responsibility (CSR) Committee

The CSR Committee is vested with the powers and the role that are in accordance with section 135 of the Companies Act, 2013 and Rules made thereunder.

The Committee is authorized to formulate the CSR policy and undertake CSR activity as specified in Schedule VII of the Companies Act, 2013. The CSR policy is available in your Company website i.e. <http://www.vsttractors.com/investors/policies>.

The role of CSR Committee includes recommendation of the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Act and also referred to in the CSR Policy of the Company, as also to monitor the CSR Policy from time to time, etc.

Composition

Mr. V.K. Surendra, Chairman
 Mr. M.K. Bannerjee, Member
 Mr. V.P. Mahendra, Member
 Mr. V V Pravindra, Member
 Mr. K.M. Pai, Member

During the year under review the Committee meeting held on 18/06/2021 & 10/02/2022 with presence of all the members.

NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act. The Key Objectives of the Committee includes 1. Formulate a criteria for determining qualifications, positive attributes and independence of a director. 2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. 3. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company; and 4. Undertake any other matters as the Board may decide from time to time. The Company has adopted a Nomination and Remuneration Policy as defined under the Act. The Policy is available on the website of the Company at <http://www.vsttractors.com/investors/policies>. The details of the remuneration paid to directors forms part of the Annual Report.

Composition

The Nomination and Remuneration Committee comprises of three non-executive directors out of which two are independent directors.

Mr. M.K. Bannerjee, Chairman
 Mr. V.K. Surendra, Member
 Mr. K.M. Pai, Member

During the year under review the Committee met on 18/06/2021 & 14/07/2021 attended by all the members.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning was circulated to the Directors. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders integrity and maintenance of confidentiality and independence of behavior and judgment.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is primarily responsible for review all matters connected with redressal of shareholders complaint. The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors and to resolve their grievances.

Composition

The Stakeholders Relationship Committee comprises of three Directors of the Company.

Mr. K.M. Pai, Chairman
 Mr. M. K. Bannerjee, Member
 Mr. V.K. Surendra, Member

During the year under review the Committee met on 14/03/2021 attended by all the members.

Name of the Compliance Officer - Mr. Chinmaya Khatua, Company Secretary

The details of the shareholder's complaints mentioned in corporate governance section of the Annual Report

RISK MANAGEMENT COMMITTEE

The Company has risk management policy. The risk pertaining to business of the Company is discussed at the Risk Management Committee, Audit Committee and at the Board Meetings on regular basis.

The Committee is responsible for monitoring and reviewing of risk management plan of the Company and all other incidental matters from time to time as required under Regulation 21 of the Listing Regulations

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms a part of this report.

Composition

Mr. M.K. Bannerjee, Chairman
 Mr. V. K. Surendra, Member
 Mr. K.M. Pai, Member
 Mr. V.P. Mahendra, Member
 Mr. V S Arun, Member

The Risk Management Policy is available on the Company's website <http://www.vsttractors.com/investors/policies> During the year under review the committee met on 14/07/2021, 09/08/2021, 28/01/2022 & 03/03/2022 attended by all the members.

INDEPENDENT DIRECTORS MEETING

The Independent Directors held their meeting on 14/02/2022 without presence of anybody from management side.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization programme imparted to independent directors is displayed in Company website and can be accessed at <http://www.vsttractors.com/investors/policies>

VIGIL MECHANISM

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It is to protect employees wishing to raise a concern about serious irregularities within the Company. It is hereby confirmed that, no personnel has been denied access to audit committee of the Company. The details of the policy is available in company website i.e <https://www.vsttractors.com/investors/policies>

CONTACT DETAILS OF COMPLIANCE OFFICER

Mr. Chinmaya Khatua, Company Secretary and Compliance Officer can be contacted:

Chinmaya Khatua,
No.1, DyavasandraIndl. Layout,
Whitefield Road, Mahadevapura Post,
Bengaluru – 560 048.
Ph. No. 080-67141111
E-mail: chinmaya@vsttractors.com

INSIDER TRADING REGULATIONS:

The Company has prescribed code of conduct and disclosure practice to prevent insider trading. No violation of Insider trading was reported during the year 2021-22.

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the SEBI Listing Regulations.

During 2021-22, the Company has not given any loan to any of its directors. The remuneration paid to the Managing Director for the year 2021-22 is given below:

Name of the Director	Category	Salary	Commission	Total
Mr. V T Ravindra	Managing Director	48.01 Lakhs	28.48 Lakhs	76.49 Lakhs

Sitting fees paid to Non-Executive Directors during the year 2021-22 :

Name of the Director	Category	Sitting Fees (in J)
Mr. V. K. Surendra	Chairman	7,50,000
Mr. R. Subramanian	Independent Director	4,50,000
Mr. M. K. Bannerjee	Independent Director	10,00,000
Mr. K.M. Pai	Independent Director	10,00,000
Ms. Siva Kameswari Vissa	Independent Director	5,00,000
Mr. Bijanki Jagannath	Independent Director	-
Mr. V.V. Pravindra	Non-Executive Director	3,50,000
Mr. V S Arun	Non-Executive Director	5,00,000
Mr. V P Mahendra	Vice Chairman & Non-Executive Director	6,00,000
Dr. Nandakumar Jairam	Independent Director	2,50,000

During the year, no non-executive director had any pecuniary relationship or transactions with the Company other than the sitting fees and reimbursement of expenses incurred by them for attending meetings of the Company.

MEANS OF COMMUNICATION

The outcome of the Board Meeting, quarterly and annual financial results are sent to Stock Exchanges immediately after the Board approval. The quarterly and annual financial results are also available in Company web-site i.e., www.vsttractors.com.

The updated Policy can be accessed on the Company's website at <http://www.vsttractors.com/investors/policies>

DIVIDEND DISTRIBUTION POLICY:

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') the Board of Directors of the Company (the 'Board') formulated and adopted the Dividend Distribution Policy (the 'Policy'). The Policy is available on our website at <https://www.vsttractors.com/investors/policies>

OTHER POLICIES

The Company has formulated other policies as required under Companies Act, 2013 and SEBI (LODR) Regulation 2015 and the same have been disclosed in Company Website: <http://www.vsttractors.com/investors/policies>

DIRECTORS REMUNERATION

The non-executive Directors are not paid any remuneration other than the sitting fees which is within the limits prescribed under Companies Act, 2013.

The quarterly and annual financial results are published in Financial Express / Business Standard (English) and SanjeVani (Kannada) newspapers. The Company's announcement and outcome of the investors meet are also published in Company website.

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON 31ST MARCH 2022

Category	No. of Shareholders	% to total No. of shareholders	Shares Amount (₹)	% to total shares amount
Upto 5,000	19980	96.55	8340520	9.65
5,001 - 10, 000	329	1.59	2385680	2.76
10,001 - 20,000	194	0.94	2731290	3.16
20,001 - 30,000	58	0.28	1447800	1.68
30,001 - 40,000	30	0.14	1046080	1.21
40,001 - 50,000	16	0.08	731070	0.85
50,001 - 1,00,000	30	0.14	2276990	2.64
1,00,001 and above	58	0.28	67435850	78.06
	20695	100.00	86395280	100.00

DETAILS OF REQUEST/COMPLAINTS RECEIVED DURING THE YEAR 2021-22

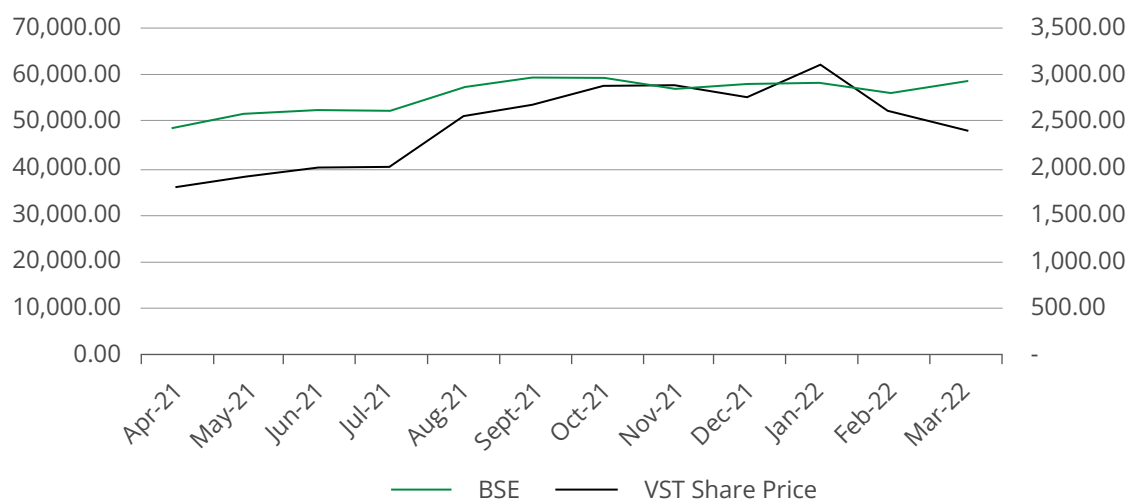
Nature of Request	OB	Received	Attended	Pending
Change of Address	-	3	3	-
Bank Mandate	-	32	32	-
Revalidation of Warrants	-	48	48	-
Duplicate Share Certificates	-	20	20	-
Transfer/Transmission	-	10 Tm	10 Tm	-
Dematerialisation	-	48	48	-
Rematerialisation	-	-	-	-

SHAREHOLDING PATTERN AS ON 31ST MARCH 2022

Category	No. of Shareholders	No. of shares held	% to total No. of shares
Promoters/Associates	39	4483165	51.89
Foreign Promoters	1	253125	2.93
Bodies Corporate	193	150763	1.75
Mutual Funds	13	1349248	15.62
Alternate Investment Funds	3	18635	0.22
Banks	3	1763	0.02
Financial Institutions	1	225	0.00
Foreign Financial Institutions	35	478200	5.54
Non-Resident Indians	983	113595	1.31
Clearing Members	34	7326	0.08
Public/Others	19390	1783483	20.64
Total	20695	8639528	100.00

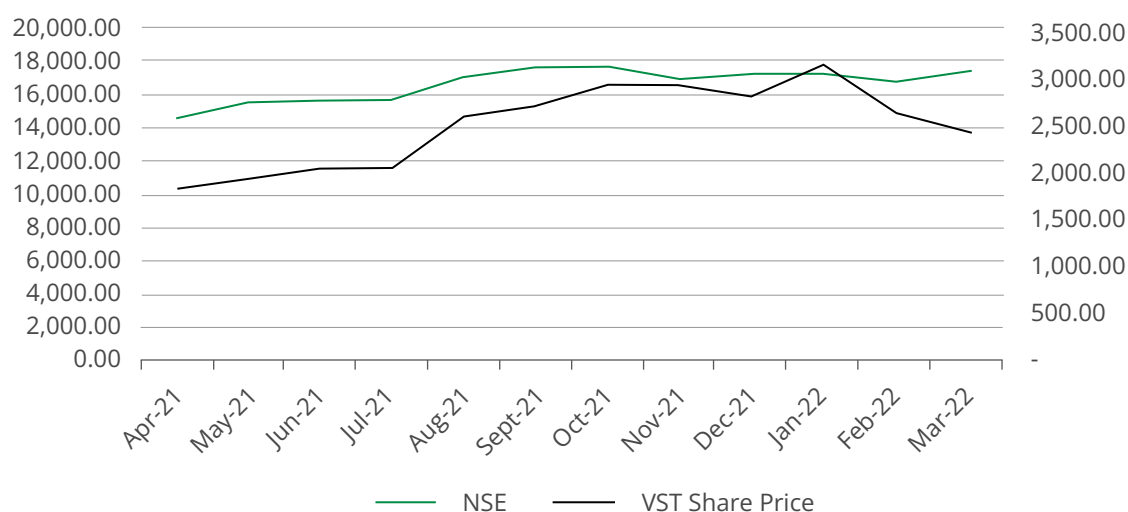
Market Price Data Information(BSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Apr-21	1880	1725	Oct-21	3458.45	2615
May-21	1999	1721	Nov-21	3342.85	2800
Jun-21	2306.6	1907	Dec-21	3056.35	2615
Jul-21	2156.35	1966.6	Jan-22	3129.4	2773.85
Aug-21	2747.65	1881	Feb-22	3110	2419.60
Sep-21	2898.9	2412.85	Mar-22	2682.20	2335.65



Market Price Data Information(NSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Apr-21	1,884.00	1,727.00	Oct-21	3,453.55	2,682.50
May-21	1,960.05	1,720.00	Nov-21	3,367.50	2,805.00
Jun-21	2,300.00	1,903.95	Dec-21	3,055.00	2,652.00
Jul-21	2,152.00	1,965.05	Jan-22	3,139.95	2,772.65
Aug-21	2,744.70	1,885.00	Feb-22	3,118.45	2,420.00
Sep-21	2,899.00	2,406.65	Mar-22	2,698.80	2,335.90



Dematerialization of Shares and Liquidity

Trading in equity shares of the Company became mandatory in dematerialized form. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these NSDL and CDSL. Shareholders can open their accounts with any of the Depository Participants to hold their shares in dematerialized form. About 98.74 % of the Equity Shares of the Company are held in the dematerialized form.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk is covered in the Annual report. Company is not doing hedging activities.

DETAILS OF UNCLAIMED SHARES

Particulars	As on 31.03.2021		Transferred during the Year		As on 31.03.2022	
	No. of S/h's	No. of Shares	No. of S/h's	No. of Shares	No. of S/h's	No. of Shares
Unclaimed Shares	16	428	0	0	16	428

The voting rights on the above Shares shall remain frozen till the rightful owner of such Shares claims the Shares.

DETAILS OF UNCLAIMED DIVIDEND TRANSFERRED TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

During the year 2021-22, Rs 10,82,340 unclaimed dividend has been transferred to Investors Education & Protection Fund (IEPF) and Rs 6,83,120 was transferred to IEPF towards dividend for the shares transferred to the IEPF authority. There is no amount which were to be transferred to IEPF but have not been transferred. The details of the unpaid and unclaimed dividend are available in the company website i.e. www.vsttractors.com and IEPF website.

DETAILS OF SHARES TRANSFERRED TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

During the year 1761 Nos of shares have been transferred to IEPF to comply with IEPF Rules. The details of the such shares is available in Company website at www.vsttractors.com.

GENERAL SHARE HOLDER INFORMATION

Date, Time and Venue of the 54th Annual General Meeting	August 19, At 11:00 A.M. Through Video Conferencing / OAVM deemed to be held At Registered Office: Plot No.1, DyvasandraIndl Layout, Mahadevapura Post, Whitefield Road, Bangalore – 560 048
Book Closure Dates	August 13, 2022 to August 19, 2022
Record Date for Dividend	August 12, 2022
Dividend Payment	Final Dividend of Rs. 20 /- per equity share will be paid on or after August 22, 2022 for the financial year 2021-22. , if approved by the shareholders
Financial Year	1st April to 31st March
E-voting date	August 16, 2022 (from 9 a.m IST) to August 18, 2022 (upto 5 pm IST)
E-voting cut-off date	August 12, 2022

Financial Results Calendar : (tentative) Results for the quarter ending

June 30, 2022 - Second week of August, 2022
 September 30, 2022 - Second week of November, 2022
 December 31, 2022 - Second week of February, 2023
 March 31, 2023 - Last week of May, 2023

Payment of Listing Fees : Annual listing fee for the year 2022-23 has been paid to BSE & NSE.

Payment of Depository Fees: Annual Custody/Issuer fee for the year 2022-23 has been paid to NSDL & CDSL.

SHARE TRANSFER SYSTEM

As per SEBI circular, there will be no transfer of physical shares effective from 1st April 2019 and intimation was sent to shareholders in this regard.

The Company has appointed M/s. Integrated Registry Management Services Private Limited, Registrar & Share Transfer Agents for handling all matters relating to share transfers including transfer/transmission of shares, de-materialization of share certificates, sub division / consolidation of share certificate etc.

Share Holders desiring to communicate on any matter relating to the shares of the Company may either visit in

person or write to the Company's Share Transfer Agent quoting their Folio No./ DP ID & Client ID at the following address.

M/s. Integrated Registry Management Services Private Limited

#30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003
Phone Nos. 080-23460815-18,
Fax: 080-23460819
e-mail : irg@integratedindia.in

Stock Exchanges Address

National Stock Exchange of India Ltd,

Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra(E)
MUMBAI – 400 051
Tel No- 022-26598235

BSE Limited

25 Floor, P. J. Towers,
Dalal Street, Fort, MUMBAI – 400 001 Ph-022-22721234.

STOCK CODE

BSE Ltd : 531266

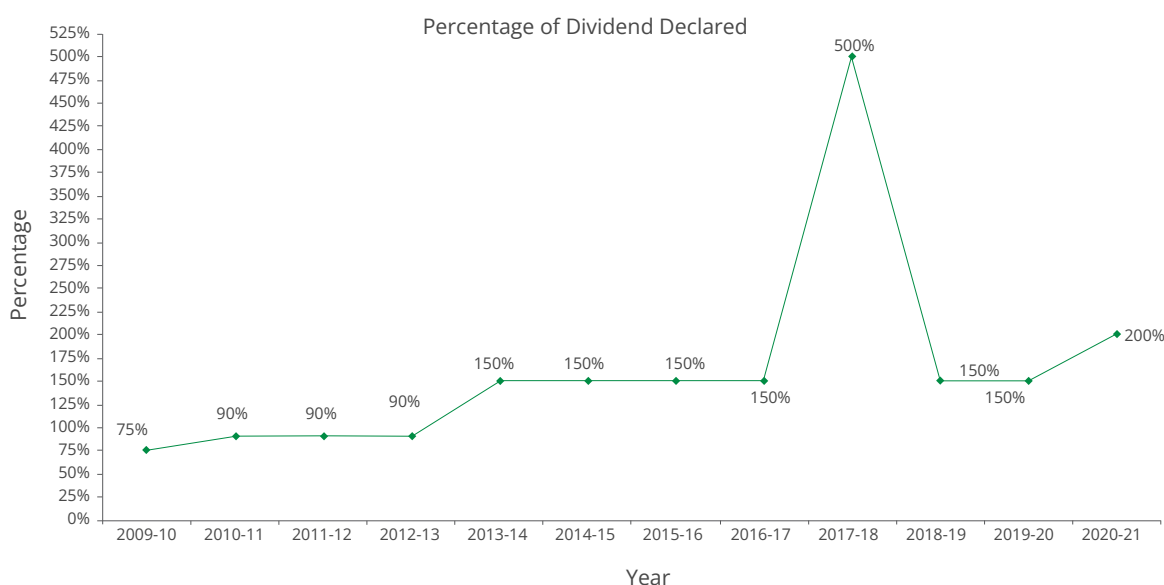
National Stock Exchange of India Ltd. : VSTTILLERS

ISIN : INE 764D01017.

CIN- L34101KA1967PLC001706

ADDRESS FOR CORRESPONDENCE

The Company Secretary
M/s. V.S.T. Tillers Tractors Ltd,
Plot No-1, DyavasandraIndl Layout, Whitefield Road,
Mahadevapura Post, Bengaluru- 560048.
Ph : 080-67141111
E-mail : investors@vsttractors.com



Particulars of last 3 Annual General Meetings

Date/Time	Location	Summary of Special Resolutions
27.08.2021 11 a.m.	AGM held through VC & Vanue deemed to be at Plot No-1, DyavasandraIndl. Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048,	<ul style="list-style-type: none"> Appointment of Dr. Nandakumar Jairam as an Independent Director of the company.
24.09.2020 11 a.m.	AGM held through VC & Vanue deemed to be at Plot No-1, DyavasandraIndl. Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048,	NA
09.08.2019 3.30 p.m.	Woodlands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bengaluru - 560 025	<ul style="list-style-type: none"> Re-appointment of Mr. R. Subramanian as an Independent Director of the Company. Re-appointment of Mr. M.K. Bannerjee as an Independent Director of the Company Re-appointment of Mr. K.M. Pai as an Independent Director of the Company.

During the year following resolution was passed through postal ballot.

1. Re-appointment of Mrs. Siva Kameswari Vissa as an Independent Director of the Company for 2nd terms of 5 years.

M/s. Thirupal Gorige & Associates LLP, practicing company secretaries had conducted the postal ballot process. The reappointment of Ms Siva Kameswari Vissa for second term of 5 years was approved by the members by special resolution through postal ballot. The procedure of postal ballot as specified by the Companies Act is available in the Company website : www.vsttractors.com

PLANT LOCATIONS:

HOSUR	MYSORE	MALUR
Plot No:39, Sipcot – Phase I, Mookandapalli Post, Hosur – 635 126, Tamil Nadu	Plot No.42/43, Metagalli Industrial Area, Mysuru -570016. Karnataka	Plot No-222-224 & 229-232, KIADB Industrial Area, Malur III Phase, Malur -563130, Karnataka

DISCLOSURES

- During the year under review, besides the transactions mentioned under note no. 36 of Annual Report, there were no materially significant related party transactions that may have potential conflict with the interest of the company at large. The policy is available at <http://www.vsttractors.com/investors/policies>
- There are no instances of non-compliance on any matter relating to the capital market during the last three years and no penalty was levied.
- The Company has formulated whistle-blower policy and vigil mechanism and no person has been denied access to the Audit Committee with regard to whistle-blower policy.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements. The Company has not adopted a treatment different from that prescribed in the Accounting Standard.
- The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:
 - The auditors' report on statutory financial statements of the Company are unmodified.
 - The Company has appointed separate persons to the post of chairperson and managing director or chief executive officer.
 - The internal auditor reports directly to the audit committee.
- The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses(b) to(i) of sub-regulation (2) of regulation 46 of SEBI (Listing Regulation and Disclosure Requirement) Regulations, 2015.
- Credit rating - The Company has not obtained any credit rating during the financial year 2021-22.
- The Company has taken a certificate from Thirupal Gorige & Associates LLP practicing company secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority (Please refer Annexure-6).
- During the financial year 2021-22, the Board has accepted all the recommendations of its Committees.
- The company's share has not been suspended for trading at any time during the Financial Year 2021-22.

Fees paid to statutory Auditors:

Type of Service	For the Financial Year (in Rs)
Audit Fees	20,50,000
Tax Audit Fees	5,00,000

for **V.S.T. TILLERS TRACTORSLTD**

Place: Bengaluru
Date: May 9, 2022

V. K.Surendra
Chairman

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company : L34101KA1967PLC001706 & DOI: 18/12/1967
- Name of the Company : **V.S.T. TILLERS TRACTORS LTD.**
- Registered address : Plot No- 1, Dyavasandra Indl. Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048
- Website: www.vsttractors.com
- E-mail id: investors@vsttractors.com
- Financial Year reported: 1st April 2021 to 31st March 2022
- Sector(s) that the Company is engaged in (industrial activity code-wise)

Manufacturing of Agricultural Machineries

Products	NIC Code of the product
Power Tiller	2821
Tractor	2821

- List three key products/services that the Company manufactures/provides (as in balance sheet)
 - Power Tiller
 - Tractors
 - Diesel Engines
- Total number of locations where business activity is undertaken by the Company
 - Number of International Locations: Nil
 - Number of National Locations: 4 Locations (i.e. Bangalore, Malur, Hosur & Mysore)
- Markets served by the Company – Local/State/ National/International National / International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR) : Rs. 8,63,95,280
- Total Turnover (INR) :Rs. 85,386 Lakhs
- Total profit after taxes (INR) : Rs. 9,931 Lakhs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : Please refer Annexure-2 of the Annual Report.

- List of activities in which expenditure in 4 above has been incurred:- Please refer Annual Report on CSR Activities

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies? : No
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) : NA
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: No

SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR
 - Details of the Director/Director responsible for implementation of the BR policy/policies
 - DIN Number: 00396156
 - Name: Mr. V.T Ravindra
 - Designation: Managing Director
 - Details of the BR head

No	Particulars	Details
1	DIN Number (if applicable)	00396156
2	Name	Mr. V.T Ravindra
3	Designation	Managing Director
4	Telephone number	91-80-67141111
5	e-mail id	investors@vsttractors.com

- Principle-wise (as per NVGs) BR Policy/policies

Principles to assess compliance with environmental, social and governance norms

 - Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.
 - Businesses should provide goods and services in a manner that is sustainable and safe and contribute to sustainability throughout their life cycle.

3. Businesses should respect and promote the well-being of all employees.
4. Businesses should respect the interests of, and be responsive to all their stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
5. Businesses should respect and promote human rights.
6. Businesses should respect and make efforts to protect and restore the environment.
7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
8. Businesses should support inclusive growth and equitable development.

9. Businesses should engage with and provide value to their consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sl. No	Question	Business ethics	Product responsibility	Well being of employees	Stakeholder engagement	Human rights	Environment	Public Policy	CSR	Customer Relations
1	Do you have a policy/ policies for...	Y	Y	Y	-	-	Y	-	Y	-
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	-	-	Y	-	-	-
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) The company has formulated the policy as per the requirement.	Y	-	Y	-	-	Y	-	-	-
4	Has the policy being approved by the Board?	Y	-	Y	-	-	Y	-	Y	-
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	-	-	Y	-	Y	-
6	Indicate the link for the policy to be viewed online?	-	-	-	-	-	-	-	www.vstractors.com	-
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	-	-	Y	-	-	-
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	-	-	Y	-	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Y	Y	-	-	Y	-	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	-	-	-	-	-	-	-	-	-

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles The company has not understood the Principles	---	---	---	---	---	---	---	---	---
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	---	---	---	---	---	---	---	---	---
3	The company does not have financial or manpower resources available for the task	---	---	---	---	---	---	---	---	---
4	It is planned to be done within next 6 months	---	---	---	---	---	---	---	---	---
5	It is planned to be done within the next 1 year	---	---	---	---	---	---	---	---	---
6	Any other reason (please specify):	Other policies will be implemented as per the requirement of the company in future								

Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

There is no defined frequency. Assessment is an on going exercise and is an inherent part of corporate functions.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No.

satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. Nil

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities - No risk/concern
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?- NA

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?- NA

- Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.:

The Company has been sourcing indirect materials which are recyclable.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The Company's policy relating to ethics, bribery and corruption extends to employees and representatives which include dealers, distributors, agents,

- How many stakeholder complaints have been received in the past financial year and what percentage was

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?- The Company is procuring materials from local vendor if they meet quality standard. Continuous interaction with them to increase their capabilities.

Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. The Company has the water treatment system. please refer Annual Report.

Principle 3: Businesses should promote the well-being of all Employees

1. Please indicate the Total number of employees: 1099
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 450
3. Please indicate the Number of permanent women employees: 12
4. Please indicate the Number of permanent employees with disabilities:2
5. Do you have an employee association that is recognized by management. - Yes
6. What percentage of your permanent employees is members of this recognized employee association? : 23%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees: 100%
- (b) Permanent Women Employees: 100%
- (c) Casual/Temporary/Contractual Employees: 100%
- (d) Employees with Disabilities: 100%

Principle 4: Businesses should respect the interests of, and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes/No- NA
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.- NA
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.- NA

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?- NA
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?- Nil

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.- Internal Company Policy
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.- No
3. Does the company identify and assess potential environmental risks? Y/N- Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?- No
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable

energy, etc. Y/N. If yes, please give hyperlink for web page etc.- Please refer the Annual Report

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?- Yes
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.- No

Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - (a). CII
 - (b). FKCCI
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)- No

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.- provide education facility, livelihood of physically disabled.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?- Through Registered Trusts

3. Have you done any impact assessment of your initiative?- NA
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.- Please refer our Annual Report
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so -NA.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Number of complaints pending as on the end of financial year.- About 8 consumer cases.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)- Yes

Yes, apart from the mandated declarations, additional declarations are furnished on the products/labels relating to the products and their usage.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. No
4. Did your company carry out any consumer survey/ consumer satisfaction trends? Yes

Financial Statements



Independent Auditor's Report

To
The Members of
V.S.T. Tillers Tractors Limited

Report on the Audit of Financial Statements

Opinion

1. We have audited the accompanying financial statements of M/s. V.S.T. Tillers Tractors Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended March 31, 2022, and a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements for the year ended March 31, 2022 give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2022, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have described the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matters

Appropriateness of capitalisation of costs as per Ind AS 16 Property, Plant and Equipment: The Company has incurred total cost Rs. 4,010.32 lakhs on property, plant and equipment (PPE - representing cost incurred for development of Engines and acquisition of plant & machinery, and other capital equipments) as part of business explanation and product development.

This cost needs to be capitalised and depreciated once the assets are ready for use as intended by the management and certainty about the future economic cash flows. Inappropriate timing of capitalisation of the cost and/or inappropriate classification of categories of items of PPE could result in material misstatement of PPE with a consequent impact on depreciation charged.

How the matter was addressed in our Audit

Our audit procedures to assess appropriate capitalization of such expenditure includes, but were not limited to the following:

- Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs.
- Reviewed management's capitalization policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment.
- Compared the additions with the budgets and the orders given to the vendors.

Key Audit Matters

Owing to the above factors, we have identified this as a key audit matter for current year audit due to the significance of the capital expenditure incurred during the year.

How the matter was addressed in our Audit

- Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per company's accounting policy.
- Assessed the appropriateness and adequacy of the related disclosures in the financial statements in accordance with the applicable Indian accounting standards.

Information Other than the Financial Statements and Auditor's Report thereon:

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements:

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional Skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Report on Other Legal and Regulatory Requirements:**
14. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors/managers during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the

Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2022 from being appointed as directors in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Appendix-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – (Refer Note 41 to the financial statements),
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The amount required to be transferred to the Investor Education and Protection Fund has been transferred by the Company during the year ended March 31, 2022.
 - iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources

or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The dividend paid by the Company is in accordance with provisions of Sec section 123 of Companies Act, 2013.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Hitesh Kumar P
Partner

Place: Bengaluru
Date: May 09, 2022

Membership No.: 233734
UDIN: 22233734AIPRUS2106

Appendix - A to the Independent Auditors' Report

The Appendix referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE') including right-of-use asset.

(B) The Company has maintained proper records showing full particulars of intangible assets including intangible assets under development.

(b) The Company has the program of physical verification of Property, Plant and Equipment once in three years, which in our opinion, is reasonable having regard to size of the Company and nature of its assets. Pursuant the program, during the year the management is in the process of conducting the physical verification as on reporting date. Accordingly, in the absence of same we are not able to comment on the material discrepancies if any.

(c) The title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and material discrepancies noted have been properly dealt in the books of account.

(b) In our opinion and based on the information and explanations provided to us, the monthly

information filed with banker with related to the current assets & current liabilities of the Company is in agreement with books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses from (iii) (a) to (iii) (f) of paragraph 3 of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sec 185 and 186 of Companies Act 2013 in respect of loans, making investments and providing guarantee and security as applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of the Company's manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not conducted a detailed examination of the same.

(vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at March 31, 2022 for a period of more than six months from date they become payable.

- b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of dispute except for the below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period for which the amount relates	Amount involved (Amount ₹ in lakhs)
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Income Tax Appellate Tribunal	2010-11	3.41
The Income Tax Act, 1961	Disallowance of Marketing Expenses	Income Tax Appellate Tribunal	2011-12	344.94
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Commissioner of Income Tax (Appeals)	2011-12	196.68
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Income Tax Appellate Tribunal	2012-13	4.05
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Income Tax Appellate Tribunal	2013-14	16.45
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Commissioner of Income Tax (Appeals)	2015-16	232.90
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Commissioner of Income Tax (Appeals)	2016-17	59.20
The Income Tax Act, 1961	Disallowance of Advance written off and 80G disallowance	Commissioner of Income Tax (Appeals)	2016-17	75.32
The Income Tax Act, 1961	Disallowance under Section 80G and 14A	Commissioner of Income Tax (Appeals)	2017-18	93.36
The Customs Act, 1962	Disallowance of Concessional Custom Duty availed under Customs Notification No.12/2012 for Reaper Combinder	Appellate Tribunal	2014-17	25.68

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) According to the information and explanations provided to us and based on examination of financial statements, The Company is not having any loans from bank or financial institutions. Accordingly, reporting under this Clause is not applicable.

(b) According to the information and explanations provided to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender;

(c) According to the information and explanations provided to us and based on examination of financial statements, the Company is not having any borrowings. Accordingly, reporting under this clause is not applicable.

(d) According to the information and explanations provided to us and based on an overall examination of financial statements, the Company has not raised any funds on short-term basis, prima facie, Accordingly, reporting under this clause is not applicable.

(e) According to the information and explanation provided to us and based on the examination of financial statements, the Company is not having

any subsidiary or Joint venture or associate companies. Accordingly, reporting under this clause is not applicable.

- (f) According to the information and explanation provided to us and based on the examination of financial statements, the Company is not having any subsidiary or Joint venture or associate companies. Accordingly, reporting under this clause is not applicable.
- (x) (a) According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer or debt instruments or term loans and hence the reporting under clause 3 (x) (a) is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the period.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details

have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the books of account
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall

due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) except those deposited in separate bank account of the Company related to previous year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) The unspent CSR amount related to the previous year has been transferred to the separate bank

account within 30 days from the end of the financial year.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Hitesh Kumar P

Partner

Place: Bengaluru
Date: May 09, 2022

Membership No.: 233734
UDIN: 22233734AIPRUS2106

Appendix - B to the Independent Auditors' Report

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of M/s. **V.S.T. Tillers Tractors Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements.

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that,

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements.

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls

with reference to financial statements were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Hitesh Kumar P
Partner
Place: Bengaluru
Date: May 09, 2022
Membership No.: 233734
UDIN: 22233734AIPRUS2106

Balance Sheet

as at March 31, 2022

(Amount in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A ASSETS			
1. Non-current assets			
a) Property, plant and equipment	4(a)	23,044.35	21,146.84
b) Capital work-in-progress	4(b)	1,199.82	2,538.01
c) Investment property	5	2,209.01	2,207.25
d) Right-of-use assets	4(c)	428.34	374.32
e) Other Intangible assets	6	912.60	1,079.73
f) Financial assets			
i) Investments	7	8,371.25	5,477.03
ii) Loans	8	5.25	9.87
iii) Other financial assets	9	308.51	300.00
g) Deferred tax Asset (net)	19	-	56.58
h) Other non-current assets	10	309.19	300.20
Total non-current assets		36,788.32	33,489.83
2. Current assets			
a) Inventories	11	10,063.41	10,693.46
b) Financial assets			
i) Investments	7	32,986.72	25,748.11
ii) Trade receivables	12	6,757.24	8,180.73
iii) Cash and cash equivalents	13	2,519.26	2,881.59
iv) Bank balances other than (iii) above	14	609.51	311.30
v) Loans	8	3.11	13.92
vi) Other financial assets	9	31.93	102.15
c) Current tax asset (net)		2,003.28	1,542.18
d) Other current assets	10	4,842.57	5,571.79
Total current assets		59,817.03	55,045.23
Total assets		96,605.35	88,535.06
B EQUITY AND LIABILITIES			
1. Equity			
a) Equity share capital	15	863.95	863.95
b) Other equity	16	74,089.78	65,893.09
Total Equity		74,953.73	66,757.04
2. Liabilities			
Non current liabilities			
a) Financial liabilities			
i) Other financial liabilities	17	4,121.55	4,343.43
b) Deferred tax liabilities (net)	19	160.45	-
c) Other Non current liabilities	20	-	1.15
Total Non current liabilities		4,282.00	4,344.58
Current liabilities			
a) Financial liabilities			
i) Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		2,343.09	2,009.00
- total outstanding dues of creditors other than micro enterprises and small enterprises		5,874.08	6,305.25
ii) Other financial liabilities	17	4,896.01	6,164.23
b) Provisions	18	521.85	472.26
c) Other current liabilities	20	3,734.59	2,482.70
Total Current liabilities		17,369.62	17,433.44
Total Liabilities		21,651.62	21,778.02
Total Equity and Liabilities		96,605.35	88,535.06
See accompanying notes forming part of financials statements			

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No. 003109S

For and on behalf of the Board of Directors of
V.S.T. Tillers Tractors Limited

Hitesh Kumar. P
Partner
Membership No:233734

V.T.Ravindra
DIN:00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Pankaj Khemka
Chief Financial Officer

Chinmaya Khatua
ACS - 21759
Company Secretary

Place : Bengaluru
Date : May 09, 2022

Place : Bengaluru
Date : May 09, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

(Amount in Lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations	22	85,386.26	76,424.33
II Other Income	23	3,408.82	4,607.77
III Total Income (I+II)		88,795.08	81,032.10
IV Expenses			
a) Cost of materials consumed		49,958.18	42,735.32
b) Purchase of Stock-in-Trade		8,108.67	7,172.50
c) Change in inventories of finished goods, work in progress and Stock in Trade	24	(253.11)	1,032.83
d) Employee benefit Expenses	25	7,064.36	8,195.19
e) Finance costs	26	104.53	154.27
f) Depreciation and amortisation expenses	27	2,504.10	1,707.68
g) Other expenses	28	8,090.17	8,111.83
Total Expenses		75,576.90	69,109.62
V Profit before exceptional items and tax (III-IV)		13,218.18	11,922.48
VI Exceptional Items		-	-
VII Profit before tax (V+VI)		13,218.18	11,922.48
VIII Tax expense:			
a) Current tax		3,068.00	3,033.00
b) Deferred tax		219.19	(188.15)
IX Profit for the Period (VII-VIII)		9,930.99	9,077.63
X OTHER COMPREHENSIVE INCOME			
A (i) Items that will be reclassified to the profit or loss		-	-
B (i) Items that will not be reclassified to the statement of profit or loss			
a) Remeasurement of Defined employee benefit plans	29	(8.55)	(15.33)
(ii) Income tax on items that will not be reclassified to the profit or loss	29	2.15	3.86
Total Other Comprehensive Income (net of taxes)		(6.40)	(11.47)
Total Comprehensive Income for the year		9,924.59	9,066.16
XI Earnings per Equity share-Basic and diluted (Amount in Rupees)	30	114.95	105.07
See accompanying notes forming part of financials statements			

As per our report of even date

For K.S. Rao & Co.,

Chartered Accountants

Firm Registration No. 003109S

For and on behalf of the Board of Directors of

V.S.T. Tillers Tractors Limited

Hitesh Kumar. P

Partner

Membership No:233734

V.T.Ravindra

DIN:00396156

Managing Director

K.M. Pai

DIN:01171860

Director

Antony Cherukara

Chief Executive Officer

Pankaj Khemka

Chief Financial Officer

Chinmaya Khatua

ACS - 21759

Company Secretary

Place : Bengaluru

Date : May 09, 2022

Place : Bengaluru

Date : May 09, 2022

Cash flow Statement

for the year ended March 31, 2022

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I Cash flow from operating activities:		
A. Profit before tax	13,218.18	11,922.48
B. Adjustment for:		
a. Depreciation and amortisation	2,504.10	1,707.68
b. Interest income from Investments	(186.21)	(302.25)
c. Dividend Income	(74.29)	(44.60)
d. (Profit)/Loss on sale of fixed assets	(9.43)	2.40
e. Provisions for bad and doubtful debts	443.39	975.50
f. Rent received	(137.42)	(132.76)
g. (Profit)/Loss on Sale of Investment	(96.54)	(3.45)
h. Provisions Written back	(740.14)	(1,041.21)
i. Unrealized foreign exchange (gain)/loss	(97.16)	(8.75)
j. Finance cost	99.67	151.43
k. Deferred rental income on security deposits received	(4.52)	(14.51)
l. Unrealised (gain)/Loss on Investments	(1,837.19)	(2,885.24)
m. Interest expense on security deposit	0.03	2.39
n. Amortisation of Prepaid lease rentals	0.17	0.03
o. Finance cost on lease rentals	4.83	0.45
	13,087.47	10,329.61
C. Adjustment for movements in Working capital		
a. Trade payables, Other liabilities and Provisions (Net of fair value adjustment on deposits)	365.02	7,731.85
b. Trade receivables	1,077.14	468.29
c. Inventories	630.05	(466.48)
d. Financial and other current assets (Net of fair value adjustment on deposits)	797.20	(18.33)
D. Cash generated from Operations	15,956.88	18,044.94
Less: Direct taxes Paid	(3,529.00)	(2,527.93)
Net cash flow from operating activities (I)	12,427.88	15,517.01
II Cash flows from investing activities		
a. Purchase of fixed assets, including CWIP	(2,882.82)	(2,824.75)
b. Proceeds from sale of fixed assets	19.57	15.94
c. Redemption/maturity of bank deposits	(298.21)	(43.69)
d. Purchase of investments	(19,979.83)	16,198.66
e. proceeds from sale of Investment	11,780.73	3,507.84
f. Interest Received	186.21	567.16
g. Income from investment	74.29	44.60
h. Rent Received	137.42	132.77
Net cash flow from/ (used in) investing activities (II)	10962.64	14798.78

Cash flow Statement

for the year ended March 31, 2022

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
III Cash flows from financing activities		
a. Interest paid	(99.67)	(151.43)
b. Dividends paid on equity shares	(1,727.91)	(0.58)
Net cash flow from/ (used in) financing activities (III)	(1,827.58)	(152.01)
IV Net (decrease) in cash and cash equivalents (I + II + III)	(362.33)	566.23
Cash and cash equivalents at the beginning of the year	2,881.59	2,315.36
V Cash and cash equivalents at the end of the year	2,519.26	2,881.58
VI Components of cash and cash equivalents:		
a. Cash on hand	-	0.28
b. With banks		
i. FD with Bank	1,837.00	730.66
ii. on current account	682.26	2,150.65
Total cash and cash equivalents	2,519.26	2,881.59
See accompanying notes forming part of financials statements		

As per our report of even date

For K.S. Rao & Co.,

Chartered Accountants

Firm Registration No. 003109S

For and on behalf of the Board of Directors of

V.S.T. Tillers Tractors Limited

Hitesh Kumar. P

Partner

Membership No:233734

V.T.Ravindra

DIN:00396156

Managing Director

K.M. Pai

DIN:01171860

Director

Antony Cherukara

Chief Executive Officer

Pankaj Khemka

Chief Financial Officer

Chinmaya Khatua

ACS - 21759

Company Secretary

Place : Bengaluru

Date : May 09, 2022

Place : Bengaluru

Date : May 09, 2022

Statement of changes in Equity

for the Year ended March 31, 2022

I Equity Share capital

(Amount In lakhs.)

Particulars	At the beginning of the year	Changes during the year	At the end of the year
For the year ended March 31, 2021	863.95	-	863.95
For the year ended March 31, 2022	863.95	-	863.95

II Other Equity

(Amount In lakhs.)

Particulars	Capital Reserve	General reserve	Surplus in Statement of Profit and Loss	Other comprehensive Income	Total
As at March 31, 2020	264.05	30,000.00	26,761.42	-198.53	56,826.94
Profit for the year	-	-	9,077.63	-	9,077.63
Other comprehensive income	-	-	-	(11.47)	(11.47)
Total comprehensive income	-	-	9,078	(11.47)	9,066.16
Dividends	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
As at March 31, 2021	264.05	30,000.00	35,839.05	(210.00)	65,893.09
Profit for the year	-	-	9,930.99	-	9,930.99
Other comprehensive income	-	-	-	(6.40)	(6.40)
Total comprehensive income	-	-	9,930.99	(6.40)	9,924.59
Dividends	-	-	1,727.91	-	1,727.91
Dividend distribution tax	-	-	-	-	-
As at March 31, 2022	264.05	30,000.00	44,042.13	(216.40)	74,089.78

The accompanying notes form an integral part of Financial Statements

As per our report of even date

For K.S. Rao & Co.,

Chartered Accountants

Firm Registration No. 0031095

For and on behalf of the Board of Directors of

V.S.T. Tillers Tractors Limited

Hitesh Kumar. P

Partner

Membership No:233734

V.T.Ravindra

DIN:00396156

Managing Director

K.M. Pai

DIN:01171860

Director

Antony Cherukara

Chief Executive Officer

Pankaj Khemka

Chief Financial Officer

Chinmaya Khatua

ACS - 21759

Company Secretary

Place : Bengaluru

Date : May 09, 2022

Place : Bengaluru

Date : May 09, 2022

Notes to the Financial Statements

for the Year ended March 31, 2022

01. Corporate information:

V.S.T. Tillers Tractors Limited ("VTTL" or "the Company") was incorporated on December 18, 1967 in Bangalore, India. It was promoted by the VST Group, a well-known business house in South India, in technical collaboration and joint venture with Mitsubishi Heavy Industries and Mitsubishi Corporation, Japan for the manufacture of Power Tillers and Diesel Engines. The plant went into production in the year 1970.

In 1984, an additional technical and financial collaboration with Mitsubishi Agricultural Machinery Company Ltd, Japan for the manufacture of 18.5 HP, 4 wheel drive Tractor was entered into.

The company was incorporated for the purpose of manufacture and to deal with Tractors, Tillers, Diesel Engines, Harvesters, Reapers, Binders, Transplanters/ planters, Trench Cutters, Front end Loaders and all kinds of allied agricultural, plantation and horticultural machinery including attachments, components, accessories, spares implement and other equipment's required for the satisfactory functioning of the agricultural equipment.

02. Basis of preparation:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

These Financial Statements were approved by the Company's Board of Directors and authorized for issue on May 09, 2022.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

03. Significant Accounting policies:

a) Significant accounting estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts

of revenues, expenses, assets, liabilities and the disclosures of contingencies at the end of each reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the company based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposals and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length price, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

ii. Defined Benefit Plans:

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual

Notes to the Financial Statements

for the Year ended March 31, 2022

developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

iii. Fair Value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

iv. Contingencies:

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claim/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

v. Property, Plant and Equipment:

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. Intangibles:

Internal technical or user team assesses the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

vii. Income Taxes:

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may

differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

viii. Provision for Warranty expenditure:

Due to the nature of industry the company operates, it needs to incur warranty expenditure on regular basis. Company applies rational judgement and past experience in determining the extent of provision to be created at the end of each reporting period.

b) Current Vs Non-current classifications:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it satisfies below criteria:

- i. Expected to be realized or is intended to be sold or consumed in its normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies below criteria:

- i. Expected to settle the liability in its normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Financial Statements

for the Year ended March 31, 2022

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

c) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost net of GST input credit, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price, any attributable cost of bringing the asset to its working condition for its intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

The company adopted cost model as its accounting policy, in recognition of the Property, Plant and Equipment and recognizes the transaction value as the cost.

Direct expenditure incurred and other attributable costs on projects under construction or in the process of installation are termed as Capital work in progress and shown at cost in the Balance Sheet.

Depreciation is provided on the straight-line method as per the useful life prescribed in the schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance supports etc.

Estimated useful life of the assets are as follows:

Type of the Asset	Method of Depreciation	Useful life considered
Buildings	Straight line Method	3 – 60 Years
Plant and Machinery	Straight line Method	2 - 15 Years
Data processing equipment	Straight line Method	3 - 6 Years
Furniture and fixtures	Straight line Method	5-10 Years
Vehicles	Straight line Method	8 Years
Office Equipment	Straight line Method	5 Years

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to Statement of Profit and Loss.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant, and equipment recognised as at March 31, 2016 measured as per Previous GAAP as the deemed cost of property plant and equipment.

d) Intangible Assets:

Intangible assets are carried at cost, net of accumulated amortisation expenses and impairment losses, if any. Cost of an intangible asset comprise of purchase price and attributable expenditure on making the asset ready for its intended use.

Computer software:

Costs incurred towards purchase of computer software are amortised over the useful life as estimated by the Management which is about 3 years for all of the intangible computer software assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognised.

e) Investment Properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial

Notes to the Financial Statements

for the Year ended March 31, 2022

recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefit associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight – line method over their estimated useful lives. The estimated useful life of buildings, classified as investment properties, ranges from 30 - 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of Profit and Loss in the period of derecognition.

f) Impairment of tangible and intangible assets:

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. When there is an indication previously recognised impairment losses no longer exists or may have decreased such reversal of impairment loss is recognised in the profit and loss account.

g) Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which

are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

h) Leases:

The Company assesses a contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-Use Assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Notes to the Financial Statements

for the Year ended March 31, 2022

Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included in the measurement of the lease liability include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

In case of a short-term lease contract and lease contracts for which the underlying asset is of low value, lease payments are charged to statement of profit and loss on accrual basis.

i) Inventories:

i. Stock-in-Trade:

Stock-in-Trade are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted Average basis.

ii. Stores and Spares:

Spare parts, stand-by equipment and servicing equipment are recognized in accordance with Ind AS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory. Spare parts, stand-by equipment and servicing equipment classified as inventory are stated at the lower of cost or net realizable value. Cost is determined on Weighted Average basis.

j) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price

that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2, or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

k) Revenue recognition:

i. Revenue from operations:

Revenue is recognized only when it can be reliably measured, and it is reasonable to expect ultimate collection. Revenue from operations includes sale

Notes to the Financial Statements

for the Year ended March 31, 2022

of goods and services, net of Goods and Service Tax (GST) and trade discounts, cash discounts and other discounts.

- ii. Interest/dividend:** Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive payment is established by the balance sheet date.

- iii. Rental income from Investment Property:** Rental income is recognised on accrual basis, based on agreements entered by the company as on the reporting date.

l) Foreign currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

m) Retirement and other employee benefits:

- i. Employer's contribution to Provident Fund, Employee State Insurance and Labour Welfare Fund which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. Gratuity liability is in the nature of defined benefit obligation. The company's Plant Assets comprise of Gratuity fund maintained by Life Insurance Corporation of India and liability is provided based on independent actuarial valuation on

projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 on "Employee Benefits".

Actuarial gain/(loss) in the valuation are recognised as other comprehensive income for the period.

- iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates and provided for on the basis of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".

Termination Benefits:

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The company recognizes the termination benefits at the earlier of the following dates:

- a) when the company no longer withdraw the offer of those benefits and
- b) when the company recognizes the costs for a restructuring that is within the scope of Ind AS 37 and involves payment of termination benefits.

n) Earnings Per Share:

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Notes to the Financial Statements

for the Year ended March 31, 2022

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

p) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of balance sheet and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

q) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty

that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if it is probable that they can be utilised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company can write-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

r) Prior period items:

In case prior period adjustments are material in nature the company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

s) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash as are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft (if any) as they being considered as integral part of the company's cash management.

t) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

A. Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of

Notes to the Financial Statements

for the Year ended March 31, 2022

the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

B. Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

- a. Debt instruments at amortised cost
- b. Debt instruments at fair value through profit and loss
- c. Equity instruments at fair value through profit and loss

a. Debt Instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

b. Debt instrument at fair value through profit and loss (FVTPL):

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

c. Equity Instruments at fair value through profit and loss (FVTPL):

Equity instruments/Mutual funds in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the statement of profit and loss.

C. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered

Notes to the Financial Statements

for the Year ended March 31, 2022

into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement.

D. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet it is shown as reduction from the specific financial asset.

Financial liabilities:

A. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

B. Subsequent measurement:

a. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for

trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the statement of profit and loss.

The company doesn't designate any financial liability at fair value through profit or loss.

b. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Financial liability with maturity of less than one year is shown at transaction value.

C. Derecognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other income or finance costs.

u) Warranty:

The company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past experience of claims.

v) Segment reporting:

The Company has only one reportable business segment, which is manufacturing and trading of agriculture machinery and operates in a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment.

w) Exceptional Items

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional Item'.

Notes to the Financial Statements

for the Year ended March 31, 2022

4 (a) Property Plant and Equipment

Particulars	Land	Buildings	Plant & Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Total
(Amount in Lakhs)								
Gross Block								
At April 01, 2020	4,889.26	8,021.24	12,645.01	888.36	211.05	138.03	263.17	27,056.12
Additions	-	1,235.53	4,095.80	3.37	2.35	11.51	-	5,348.56
Disposals	-	-	19.57	0.97	-	42.61	-	63.15
At March 31, 2021	4,889.26	9,256.77	16,721.23	890.76	213.40	106.93	263.17	32,341.53
Additions	-	233.70	3,578.43	26.95	65.53	90.66	15.06	4,010.32
Disposals	-	-	818.82	-	-	1.61	-	820
At March 31, 2022	4,889.26	9,490.47	19,480.84	917.71	278.93	195.99	278.22	35,531.42
Accumulated Depreciation								
At April 01, 2020	-	1,977.73	6,902.75	666.75	146.15	66.05	102.22	9,861.64
Charge for the year	-	300.50	940.60	76.67	22.19	13.15	24.74	1,377.85
Disposals	-	-	13.26	0.97	-	30.58	-	44.81
At March 31, 2021	-	2,278.23	7,830.09	742.44	168.34	48.62	126.96	11,194.68
Charge for the period	-	338.99	1,648.66	51.64	22.39	15.71	25.30	2,102.68
Disposals	-	-	809.30	-	-	0.99	-	810.29
At March 31, 2022	-	2,617.22	8,669.45	794.08	190.72	63.34	152.25	12,487.07
Net Block								
At March 31, 2021	4,889.26	6,978.54	8,891.14	148.33	45.06	58.31	136.21	21,146.84
At March 31, 2022	4,889.26	6,873.25	10,811.39	123.63	88.20	132.65	125.97	23,044.35

4 (b) Capital Work-in-Progress (Refer Note 47A)

(Amount in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Capital Work In progress	1,199.82	2,538.01
	1,199.82	2,538.01

Notes to the Financial Statements

for the Year ended March 31, 2022

4 (c) Right-of-use Assets

(Amount in Lakhs)

Particulars	Lease hold Land	Leasehold Assets	Total
Gross Block			
At April 01, 2020	-	-	-
Additions	329.37	46.90	376.27
Disposals	-	-	-
At March 31, 2021	329.37	46.90	376.27
Add: Additions	-	79.38	79.38
Less: Disposals	-	-	-
At March 31, 2022	329.37	126.28	455.65
Accumulated Depreciation			
At April 01, 2020	-	-	-
Charge for the year	-	1.95	1.95
Disposals	-	-	-
At March 31, 2021	-	1.95	1.95
Charge for the year	3.33	22.03	25.36
Disposals	-	-	-
At March 31, 2022	3.33	23.99	27.31
Net Block			
At March 31, 2021	329.37	44.95	374.32
At March 31, 2022	326.04	102.30	428.34

* (Refer note no 43 for detailed disclosures as per Ind AS 116)

5 Investment Property

(Amount in Lakhs)

Particulars	Land	Buildings	Total
Gross Block			
At April 01, 2020	1,389.18	988.09	2,377.27
Additions	-	-	-
Less: Disposals	-	-	-
At March 31, 2021	1,389.18	988.09	2,377.27
Additions	-	29.18	29.18
Less: Disposals	-	-	-
At March 31, 2022	1,389.18	1,017.27	2,406.44
Depreciation			
At April 01, 2020	-	144.90	144.90
Charge for the year	-	25.11	25.11
Disposals	-	-	-
At March 31, 2021	-	170.01	170.01
Charge for the period	-	27.42	27.42
Disposals	-	-	-
At March 31, 2022	-	197.43	197.43
Net Block			
At March 31, 2021	1,389.18	818.08	2,207.25
At March 31, 2022	1,389.18	819.84	2,209.01

(Refer note 38 for fair value details)

Notes to the Financial Statements

for the Year ended March 31, 2022

6 Other Intangible assets

(Amount in Lakhs)

Particulars	Technical Knowhow	Software	Total
Gross Block			
At April 1, 2020	1,250.31	456.56	1,706.87
Add: Additions	-	185.45	185.45
Less: Disposals	-	-	-
At March 31, 2021	1,250.31	642.01	1,892.32
Add: Additions	157.09	24.42	181.51
Less: Disposals	-	-	-
At March 31, 2022	1,407.40	666.43	2,073.83
Amortisation			
At April 1, 2020	427.86	81.96	509.82
Add: Charge for the year	224.92	77.85	302.77
Less: Disposals	-	-	-
At March 31, 2021	652.78	159.81	812.59
Add: Charge for the period	235.44	113.20	348.64
Less: Disposals	-	-	-
At March 31, 2022	888.00	273.01	1,161.24
Net Block			
At March 31, 2021	598.00	482.00	1,079.73
At March 31, 2022	519.40	393.00	912.60

7 Financial Assets - Investments

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments consists of the following		
Non - Current Investments		
a) Investments carried at fair value through profit or loss		
- Fully paid Equity shares (quoted)	3,961.13	1,814.76
- Fully paid Equity shares (unquoted)	605.35	555.12
- Convertible Preference shares (Zimeno Inc)	2,304.77	1,107.15
b) Investments carried at Amortised Cost		
- Non Convertible Debentures	1,500.00	2,000.00
	8,371.25	5,477.03
Current Investments		
a) Investments carried at fair value through profit or loss		
- Mutual funds (quoted)	32,986.72	25,748.11
	32,986.72	25,748.11
Aggregate amount of Quoted Investments and market value thereof (Refer note 31)	36,947.85	27,562.87
Aggregate amount of Un-Quoted Investments (Refer note 31)	4,410.12	3,662.27

Notes to the Financial Statements

for the Year ended March 31, 2022

8 Financial Assets - Loans

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Loans consists of the following		
Non - Current		
Considered , good		
- Loans to employees	5.25	9.87
	5.25	9.87
Current		
Considered , good		
- Loans to employees	3.11	13.92
	3.11	13.92

9 Financial Assets - Others

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other financial assets consists of the following		
Non - Current		
a) Deposits with Original maturity more than 12 months	1.50	1.50
b) Security Deposits	307.01	298.50
	308.51	300.00
Current		
a) Security Deposits	5.88	-
b) Income Accrued but not due	26.05	5.33
c) CHSC Deposit	-	96.81
	31.93	102.15

10 Other Assets

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non - Current		
Considered good		
a) Capital advances	308.69	300.20
b) Prepaid Lease Rentals	0.50	-
	309.19	300.20
Current		
Considered good		
a) Advance to suppliers	154.31	178.79
b) Advances to employees	17.97	34.50
c) Prepaid expense	189.72	262.58
d) Pre-paid Lease Rentals	0.33	-
e) Indirect tax recoverable	4,480.24	5,095.93
	4,842.57	5,571.79

Notes to the Financial Statements

for the Year ended March 31, 2022

11 Inventories

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Raw material and Components	5,477.47	6,212.78
b) Work-in-Progress	1,004.66	1,124.34
c) Finished Goods	1,880.23	1,952.57
d) Stock in Trade	1,192.28	747.15
e) Loose Tools	401.74	519.85
f) Machinery Spares and Others	107.03	136.77
	10,063.41	10,693.46

12 Trade Receivables (Refer note 47C)

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured :-		
a) Secured, Considered Good	1,352.73	2,533.00
b) Unsecured, Considered Good	5,404.51	5,647.73
c) Unsecured, Considered Doubtful	2,357.25	2,001.27
Total	9,114.49	10,182.00
Less: Allowance for Expected credit loss	2,357.25	2,001.27
Trade Receivables (Net)	6,757.24	8,180.73

13 Cash and Cash Equivalents

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Balances with Banks		
- On Current Accounts	682.26	2,150.65
- Deposits with original maturity of less than 3 months	1,837.00	730.66
b) Cash on Hand	-	0.28
	2,519.26	2,881.59

14 Other Bank Balances

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Earmarked balances with banks (Unpaid dividend & Unspent CSR Exp)	264.31	77.43
b) Marginal money deposits	345.20	233.87
	609.51	311.30

Notes to the Financial Statements

for the Year ended March 31, 2022

15 Share Capital

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Authorised:		
1,00,00,000 Equity Shares of Rs.10/- each.	1,000.00	1,000.00
(b) Issued, Subscribed and Paid-up :		
86,39,528/- Equity Shares of Rs.10/- each paid up.	863.95	863.95

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year ³	86,39,528	863.95	86,39,528	863.95
Movement during the year	-	-	-	-
At the end of the year	86,39,528	863.95	86,39,528	863.95

(d) Terms / Rights attached to equity shares

- The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.
- In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	% Holding	Nos.	% Holding
Equity shares of Rs.10/- each fully paid				
V.P.Mahendra	6,27,020	7.26%	6,27,020	7.26%
V.K.Surendra	19,02,034	22.02%	18,62,034	21.55%
Nippon Life India Trustee Ltd	4,81,825	5.58%	2,20,135	2.55%
	30,10,879	34.85%	27,09,189	31.36%

Includes all schemes under their management as per records of the company, including its register of shareholders/members, the above shareholding represent legal ownership of shares.

Notes to the Financial Statements

for the Year ended March 31, 2022

16 Other Equity

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Capital Reserve :		
Opening Balance	264.05	264.05
Closing Balance	264.05	264.05
(B) General Reserve		
Opening Balance	30,000.00	30,000.00
Closing Balance	30,000.00	30,000.00
(C) Balance in Statement of Profit and Loss		
Opening Balance	35,839.05	26,761.42
Add: Profit/(loss) for the year	9,930.99	9,077.63
	45,770.04	35,839.05
Less: Appropriations		
Dividend on Equity Share	1,727.91	-
	44,042.13	35,839.05
(D) Other comprehensive income		
On Actuarial Gain/(loss) on post employment benefits		
At the beginning of the year	(210.00)	(198.53)
Add: Actuarial Gain/(loss) for the year	(6.40)	(11.47)
At the end of the year	(216.40)	(210.00)
Closing Other Equity	74,089.78	65,893.09

17 Financial Liabilities - Others

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other financial liabilities consists of the following		
Non-Current		
a) Rental Deposit	-	73.19
b) Dealer Deposits	4,047.08	4,235.89
c) Lease Liability	74.47	34.35
	4,121.55	4,343.43
Current		
a) Unclaimed Dividends	71.01	77.43
b) Rental Deposits	90.55	-
c) Outstanding expense	3,454.33	3,369.11
d) Incentives and marketing expenses payable	450.36	521.00
e) Employee cost payable	606.33	1,992.60
f) Lease Liability	30.12	10.79
g) CSR Payable	193.31	193.31
	4,896.01	6,164.23

Notes to the Financial Statements

for the Year ended March 31, 2022

18 Provisions

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions consists of the following		
Current		
a) Provision for gratuity	111.92	140.85
b) Provision for leave benefits	215.00	149.01
c) Provision for warranty	194.93	182.40
	521.85	472.26

19 Deferred Tax Balances

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
a) Employee Benefits	362.00	429.17
b) Allowance for expected credit losses	613.00	583.58
	975.00	1,012.75
Deferred tax liabilities		
a) Property Plant and Equipment & Intangible Assets	805.00	768.94
b) Fair valuation of financial assets	330.45	187.23
	1,135.45	956.16
Net Deferred tax liability /(Assets)	160.45	(56.58)

20 Other Liabilities

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
a) Deferred Rental Income	-	1.15
	-	1.15
Current		
a) Statutory dues	1,569.11	1,708.89
b) Deferred Rental Income	1.15	4.52
c) Advance Received-Customers	2,164.33	769.28
	3,734.59	2,482.70

21 Trade Payables (Refer Note 47B)

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
- Dues to micro enterprises and small enterprises	2,343.09	2,009.00
- Others	5,874.08	6,305.25
	8,217.17	8,314.25

Notes to the Financial Statements

for the Year ended March 31, 2022

22 Revenue from Operations

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Sale of Products	84,652.19	76,078.80
b) Sale of Services	320.93	25.62
c) Other Operating Revenues	413.14	319.91
Total Income from Operations	85,386.26	76,424.33

23 Other Income

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Dividend	74.29	44.60
b) Income from Investment		
i. Change in Fair Value	1,837.19	2,885.25
ii. Gain on Sale of Investments	96.54	3.45
c) Rent Received		
i. Rental Income	137.42	132.76
ii. Deferred Rental Income	4.52	14.51
d) Interest		
i. From investments	186.21	302.25
ii. Others	129.11	47.58
e) Gain on Sale of Property, Plant and Equipment (Net)	9.43	-
f) Insurance claims	19.22	19.12
g) Sundry credit balances written back	740.14	1,041.21
h) Gain on Foreign Exchange Fluctuations (Net)	97.16	8.75
i) Bill Discounting	43.00	72.84
j) Miscellaneous Receipts	34.59	35.45
	3,408.82	4,607.77

24 Changes in Inventories of Finished goods, Work in Progress and Trading Goods

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Inventory at the beginning of the year		
- Finished goods	1,952.57	3,246.31
- Stock in Trade	747.15	463.94
- Work in progress	1,124.34	1,146.65
	3,824.06	4,856.89
b) Inventory at the end of the year		
- Finished goods	1,880.23	1,952.57
- Stock in Trade	1,192.28	747.15
- Work in progress	1,004.66	1,124.34
	4,077.17	3,824.06
(Increase)/Decrease in Inventory	(253.11)	1,032.83

Notes to the Financial Statements

for the Year ended March 31, 2022

25 Employee Benefit Expenses

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Salaries, Wages and Bonus	6,542.48	6,305.00
b) Contribution to Funds	291.05	327.66
c) Welfare Expenses	230.83	213.23
d) Provision for Voluntary Separation Scheme (Refer note 52)	-	1,349.30
	7,064.36	8,195.19

26 Finance Cost

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest	104.53	154.27
	104.53	154.27

27 Depreciation and Amortisation Expenses

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Depreciation on Tangible assets	2,102.68	1,377.85
b) Amortisation on Other intangible Assets	348.64	302.77
c) Depreciation on Right of use Assets	25.36	1.95
d) Depreciation on Investment Property	27.42	25.11
	2,504.10	1,707.68

28 Other Expenses

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Power and Fuel	393.92	311.14
b) Stores & Tools Consumed	666.05	512.62
c) Warranty Expenses	283.49	223.67
d) Consultancy and Legal Charges	704.96	700.57
e) Payment to Statutory Auditors (excluding GST)		
- Audit Fee	20.50	17.50
- Tax Audit Fee	5.00	4.00
- Reimbursement of expenses	1.01	1.10
f) Donation	-	2.00
g) Fees, Rates and Taxes	188.24	77.49
h) Directors sitting fees	54.00	42.00
i) Insurance	126.89	92.54
j) Rental expenditure		
- Rent	91.31	134.19
- Amortisation of Lease Rental	0.17	0.03
k) Warehousing Services	181.82	121.04
l) Repairs and maintenance		
- IT Expense	393.05	322.50
- Machinery	76.23	169.60

Notes to the Financial Statements

for the Year ended March 31, 2022

28 Other Expenses (Contd..)

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Buildings	45.11	29.94
-Others	27.10	19.26
m) Research and Development	161.23	120.87
n) Bank Charges	55.77	39.97
o) Travelling and Conveyance	645.91	424.85
p) Communication expenses	151.90	129.45
q) Loss from Sale of Assets	-	2.40
r) Advertisement & Promotion	487.26	368.37
s) Freight and Distribution	1,937.05	1,704.73
t) Selling Expenses	277.66	404.38
u) Service Expenses	260.10	343.13
v) Allowance for expected credit loss	443.39	975.50
w) Interest on overdue and Unsecured (Written off)	-	246.33
x) CSR Expenditure	159.49	388.31
y) Miscellaneous Expenses	251.56	182.35
	8,090.17	8,111.83

29 Other Comprehensive Income

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial Gain/(Losses) on Gratuity Expense for the period	(8.55)	(15.33)
Taxes on above	2.15	3.86
	(6.40)	(11.47)

30 Earnings per Equity Share

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the period attributable to equity share holders	9,930.99	9,077.63
Weighted average number of equity shares of Rs. 10/-each	86.40	86.40
Earnings per equity share (Basic and Diluted) = (a/b) (Amount in Rupees)	114.95	105.07

Notes to the Financial Statements

for the Year ended March 31, 2022

31 Financial Assets (Investments)

(Amount in Lakhs)

Particulars	Face value (Amt in Rs.)	As at March 31, 2022		As at March 31, 2021	
		No. of Shares/ units	Fair Value	No. of Shares/ units	Fair Value
Non-Current Investments:					
I. Investment in Equity Shares					
Investments in Equity instruments (trade -quoted)					
1 Rane Holdings Limited	10	86,686	510.84	86,686	511.66
2 Asian Paints Limited	1	5,000	184.80	5,000	126.87
3 Infosys Limited	5	24,000	457.64	17,000	232.57
4 Larsen & Toubro Limited	2	9,000	159.09	9,000	127.70
5 Sundaram Finance Limited	10	10,000	194.02	6,000	154.23
6 TATA Consultancy Services Limited	1	12,000	448.79	7,000	222.45
7 CIPLA Limited	2	10,000	101.81	10,000	81.51
8 Pidilite Industries Limited	1	8,900	218.43	6,900	124.85
9 HDFC Bank Limited	2	7,500	179.28	3,750	93.68
10 HDFC Life Insurance Co Ltd	10	20,000	107.64	20,000	139.24
11 Powergrid Infrastructure Investment Trust	100	4,20,000	562.38	-	-
12 ICICI Bank	2	10,000	73.03	-	-
13 Embassy	300	1,40,000	520.45	-	-
14 Kotak bank	5	10,000	175.39	-	-
15 Mphasis	10	2,000	67.54	-	-
Sub-Total			3,961.13		1,814.76
Investment in Equity instruments (unquoted)					
1 MHI - VST Diesel Engines Private Limited	10	41,50,000	605.35	41,50,000	555.12
2 Investment In Zimeno Inc (Monarch)		2,82,119	2,304.77	2,82,119	1,107.15
Total (I)			6,871.25		3,477.03
II Investment in Non-Convertible Debentures					
1 VST Motors Private Limited	1,00,000	1,500	1,500.00	2,000	2,000.00
Total of Non-Current Investments (I+II)			8,371.25		5,477.03
Current Investments:					
I. Investment in Mutual Funds					
(a) Investments in Balanced funds					
1 IDFC Low Duration Fund-Daily Dividend-Regular Plan		57,31,411	1,797.22	38,44,235	1,162.67
2 ICICI Prudential Savings Fund-Growth		4,48,716	1,944.57	6,54,884	2,724.31
3 SBI Magnum Ultra Short Duration Fund-Growth		82,924	4,018.23	49,896	2,334.05
4 HDFC Liquid Fund - Growth		-	-	18,522	744.15
5 Kotak Savings fund-Growth		-	-	16,23,862	547.74
6 HDFC Large & Mid Cap Fund - Regular Plan - Growth		27,230	50.45	-	-
Sub-Total (a)			7,810.47		7,512.92
(b) Investments in Debt Mutual funds					
1 IDFC Corporate Bond Fund Regular Plan-Growth		1,71,43,964	2,697.53	68,32,266	1,026.41
2 Axis Short term Fund		1,07,73,492	2,685.75	87,06,292	2,080.22
3 HDFC Ultra Short Term Fund - Regular Growth		2,62,30,511	3,220.48	2,07,09,222	2,453.26

Notes to the Financial Statements

for the Year ended March 31, 2022

31 Financial Assets (Investments)

(Amount in Lakhs)

Particulars	Face value (Amt in Rs.)	As at March 31, 2022		As at March 31, 2021	
		No. of Shares/ units	Fair Value	No. of Shares/ units	Fair Value
4 HDFC Floating Rate Income Fund Short Term Plan		83,10,278	3,290.80	82,82,756	3,140.12
5 Nippon India Money Market Fund		6,348	210.85	6,348	202.89
6 Kotak Low Duration Fund Standard Growth (Reg Plan)		63,888	1,743.04	82,898	2,178.57
7 ICICI Prudential Money Market Fund - Growth		4,13,389	1,257.68	4,13,389	1,211.53
8 HDFC Short Term Debt Fund - Regular Plan - Growth		1,17,75,855	3,025.52	-	-
9 Axis Corporate Debt Fund - Regular Growth (COGPG)		77,07,100	1,060.23	77,07,486	1,015.44
10 Aditya Birla Sun Life Savings Fund - Growth-Regular Plan		1,19,190	524.82	1,19,196	503.82
Sub-Total (b)			19,716.70		13,812.26
(c) Investments in Equity Mutual funds					
1 ICICI Prudential Blue Chip Fund		8,89,926	583.61	8,89,926	477.27
2 Kotak Standard Multi Cap Fund		10,78,445	560.48	10,78,445	484.88
3 HDFC Equity Fund		49,185	497.40	43,626	347.89
4 Aditya BSL MNC Fund		8,843	82.75	8,843	81.21
5 HDFC Small Cap Fund		5,58,619	396.67	5,58,619	295.24
6 Axis Multicap Fund - Regular Growth (MLGPG)		9,02,334	167.11	9,02,334	139.77
7 ICICI Prudential Value Discovery Fund - Growth		69,686	176.68	69,686	134.24
8 Kotak Blue chip fund		38,965	143.64	38,965	122.42
9 Franklin India Bluechip Fund		25,489	174.28	25,489	152.04
10 SBI Large & Mid Cap Fund Regular Growth		77,420	283.35	48,717	140.38
11 DSP Equity Mutual Fund		3,73,399	236.01	2,97,442	163.48
12 Canara Robeco Equity Diversified fund - Regular Growth(DVGP)		1,44,637	320.88	98,007	179.96
13 Tata Flexicap Fund - Regular Plan - Growth		9,22,310	143.21	9,22,310	123.98
14 Kotak Equity Opportunities Fund - Growth (Regular Plan)		27,254	53.45	-	-
Sub-Total (c)			3,819.52		2,842.76
(d) Investments in Arbitrage Mutual funds					
1 Kotak Equity Arbitrage Fund		18,99,189	573.74	18,99,189	551.78
2 Nippon India Arbitrage Fund		12,80,539	277.03	12,80,539	266.66
3 HDFC Arbitrage Fund		10,91,179	271.19	10,91,179	261.63
4 IDFC Arbitrage Fund		19,63,155	518.07	19,63,155	500.11
Sub-Total (d)			1,640.04		1,580.18
Total of Investment in Mutual Funds (a+b+c+d)			32,986.72		25,748.11
Grand total of Current Investments (I)			32,986.72		25,748.11

Notes to the Financial Statements

for the Year ended March 31, 2022

32. Retirement Benefit Obligations:

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Defined Contribution Plan (Expenses):		
Contribution to Provident Fund	230.56	229.95
Contribution to Employee State Insurance	7.58	7.95
Contribution to Labor Welfare Fund	0.74	0.84
B. Defined Benefit Plans (Gratuity):		
1. Movement in Obligation – Gratuity:		
Present Value of Obligation at the beginning of year	540.30	861.13
Current Service Cost	52.40	65.02
Interest Cost	36.85	59.42
Benefits Paid	(97.73)	(455.45)
Past Service Cost (Vested and Non-Vested)		
Actuarial (Gain)/Loss on Obligation	2.61	10.18
Present Value of Obligation at the end of year	534.43	540.30
2. Movement in Plan Assets – Gratuity:		
Fair Value of Planned assets at the beginning of the year	399.45	804.54
Return of Plan Assets (excl. int. income)	27.24	55.51
Actuarial Gain/(Loss)	(5.94)	(5.15)
Contributions during the year	99.49	-
Benefits Paid during the year	(97.73)	(455.45)
Fair Value of Planned assets at the end of the year	422.51	399.45
3. Expenses recognized in Profit and Loss Statement:		
Gratuity: -		
Current Service Cost	52.40	65.02
Net Interest Cost	9.60	3.90
Past Service Cost	-	-
Expense for the year	62.00	68.92
4. Recognized in Other Comprehensive Income:		
Actuarial (Gain)/Loss for the year	8.55	15.33
5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:		
a. Attrition Rate	20.00%	1.00%
b. Discount Rate	6.96%	6.90%
c. Expected Rate of Increase in Salary	7%	7%
d. Expected Rate of return on Plan Assets	6.82%	6.90%
e. Mortality Rate	100% of IALM	100% of IALM
	2012-14	2012-14
f. Decrement Adjusted Future Service	22.82	22.46

Notes to the Financial Statements

for the Year ended March 31, 2022

32. Retirement Benefit Obligations: (Contd..)

6. Sensitivity Analysis:

Sensitivity	Change	Effect on obligations
Salary Escalation Rate	+1%	48.73
	-1%	(41.52)
Withdrawal Rate	+1%	(1.61)
	-1%	1.39
Discount Rates	+0.5%	(21.49)
	-0.5%	23.50

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized in the Balance Sheet.

7. Expected Payout – Gratuity:

	Amount
Expected payments – 1st Year	89.30
Expected payments – 2nd Year	49.02
Expected payments – 3rd Year	66.54
Expected payments – 4th Year	51.17
Expected payments – 5th Year	34.35
Expected payments – 6th year to 10th Year	917.67

8. Other Information:

i. The company has invested planned assets with Life Insurance Corporation of India. Expected Return on Assets is based on rate of return declared by fund managers.

ii. Present value of defined benefit obligation:

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a “projected accrued benefit” is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The “projected accrued benefit” is based on the Plan’s accrual formula and upon service as of the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the “projected accrued benefits” as of the beginning of the year for active members.

C. Compensated absences amounting to Rs.109.47 lakhs (March 31, 2021: Rs. 77.52 lakhs) is recognized as expense and included in the Note 25 'Employee Benefit Expenses'.

33. Income tax expense and Deferred Taxes:

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Income Tax Expense: -		
a. Current Tax	3068.00	3,033.00
b. Deferred Tax (arising on temporary differences)	219.19	(188.15)
Total Tax Expense for the year	3,287.19	2,844.85
Effective Tax Reconciliation: -		
a. Net Profit/(Loss) before taxes	13,218.18	11,922.48
b. Tax rate applicable to the company as per normal provisions	25.168%	25.168%
c. Tax expense on net profit (c = a*b)	3,326.75	3,000.65

Notes to the Financial Statements

for the Year ended March 31, 2022

33. Income tax expense and Deferred Taxes: (Contd..)

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
d. Increase/(decrease) in tax expenses on account of:		
i. Effect of Unrealized Income	(496.41)	(766.40)
ii. Effect of expenses not deductible in determining taxable profits	485.05	912.86
iii. Effect for deduction for expenses earlier disallowed	(156.39)	(8.69)
iv. Effect of Income not forming part of Business income	(100.15)	(94.11)
v. Net effect of deductible temporary differences recognized as deferred tax liabilities and assets	219.19	(188.15)
vi. Other adjustments	9.15	(11.31)
Net Increase/(decrease) in tax expenses	(39.56)	(155.80)
e. Income Tax Expense as reported in Statement of Profit and Loss (c + d)	3,287.19	2,844.85
Deferred Tax Expenses/(Income) Recognized for the year ended:		
A. Deferred tax recognized in Profit and Loss	219.19	(188.15)
B. Deferred tax recognized in Other comprehensive income	(2.15)	(3.86)
C. Deferred tax recognized in Total comprehensive income	217.04	(192.00)

34. Fair Value of Financial Instruments:

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current assets and liabilities approximate to their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments are based on the Net Asset Value provided by the Management as on the date of reporting.
- Fair value of Interest free Security deposits are calculated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities.

Description of significant observable inputs to valuation:

- Interest free Security Deposits (assets & liabilities):

Interest Rate factor has been considered at a rate of 6.06% p.a. by the company for discounting the amount receivable at the time of maturity.

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable approximation of fair values.

(Amount in Lakhs)

Particulars	Carrying Value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial Assets				
At Fair value through profit & loss A/c				
Investments	39,857.97	29,225.14	39,857.97	29,225.14
At Amortised cost				
Investments	1,500.00	2,000.00	1,500.00	2,000.00

Notes to the Financial Statements

for the Year ended March 31, 2022

34. Fair Value of Financial Instruments: (Contd..)

(Amount in Lakhs)

Particulars	Carrying Value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Loans	8.36	23.79	8.36	23.79
Trade receivables	6,757.24	8,180.73	6,757.24	8,180.73
Cash and Bank Balances	3,128.77	3,192.89	3,128.77	3,192.89
Other Financial assets	340.44	402.15	340.44	402.15
Total Financial Assets	51,592.78	43,024.70	51,592.78	43,024.70
Financial Liabilities				
At Amortised cost				
Trade Payables	8,217.17	8,314.25	8,217.17	8,314.25
Other Financial liabilities	9017.56	10,507.66	9017.56	10,507.66
Total Financial liabilities	17,234.73	18,821.91	17,234.73	18,821.91

35. Fair Value hierarchy:

The following table provide the fair value measurement hierarchy of the company's financial assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

(Amount in Lakhs)

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level - 1)	Significant observable inputs (Level - 2)	Significant unobservable inputs (Level- 3)
Financial Assets: -				
Designated at Fair Value through profit or loss:				
Investments in quoted instruments (Equity & Mutual Funds)	36,947.85	36,947.85	-	-
Investments in unquoted instruments	2,910.12	-	-	2,910.12
Designated at Amortized Cost:				
Investments in unquoted instruments	1,500.00			1,500.00
Loans	8.36			8.36

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

(Amount in Lakhs)

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level - 1)	Significant observable inputs (Level - 2)	Significant unobservable inputs (Level- 3)
Financial Assets: -				
Designated at Fair Value through profit or loss:				
Investments in quoted instruments (Equity & Mutual Funds)	27,562.87	27,562.87	-	-
Investments in unquoted instruments	1,662.27			1,662.27
Designated at Amortized Cost:				
Investments in unquoted instruments	2,000.00			2,000.00
Loans	23.79			23.79

Notes to the Financial Statements

for the Year ended March 31, 2022

36. Related Party Transactions:

During the year under reference the Company has entered following transactions with Related Parties:

Names of the Related parties and description of relationship:

i) Key Management Personnel

Name of the Key Managerial Personnel	Description of Relationship
Mr. V. K. Surendra	Chairman
Mr. V. P. Mahendra ¹	Vice Chairman
Mr. Antony Cherukara	Chief Executive Officer
Mr. Pankaj Khemka ²	Chief Financial Officer
Mr. Chinmaya Khatua	Company Secretary
Mr. V. V. Pravindra	Non-Executive Director
Mr. V. T. Ravindra ³	Managing Director
Mr. V. S. Arun	Non-Executive Director
Mr. K. M. Pai	Independent Director
Mr. M. K. Bannerjee	Independent Director
Mr. R. Subramanian	Independent Director
Mrs. Siva Kameswari Vissa	Independent Director
Mr. Bijanki Jagannath ⁵	Independent Director
Mr. Nandakumar Jairam ⁵	Independent Director

ii) Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:

1. VST Motors Private Limited
2. VST & Sons
3. Automobile Service Centre
4. Anand & Associates
5. Mitsubishi Heavy Industries- VST Diesel Engines Pvt.Ltd.
6. India Garage

Note: The details of related parties with which the company has entered into transactions during the year or previous year have been disclosed.

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:		
Services Rendered – Renting of Immovable property		
Mitsubishi Heavy Industries-VST Diesel Engines Pvt.Ltd.	64.64	64.64
India Garage	26.40	26.40
Purchase of Diesel Engines		
Mitsubishi Heavy Industries-VST Diesel Engines Pvt.Ltd.	556.51	305.39
Services Rendered – Job Work		
Mitsubishi Heavy Industries-VST Diesel Engines Pvt.Ltd.	158.09	20.77

Notes to the Financial Statements

for the Year ended March 31, 2022

36. Related Party Transactions: (Contd..)

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Services Availed – Payment of royalty		
VST & Sons	8.91	7.66
Interest Received		
VST Motors Private Limited (Debentures)	153.71	157.55
Architectural professional services		
Anand Associates	2.11	5.53

Remuneration to Key Managerial Personnel

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Short-term Benefits	Sitting Fee	Short-term Benefits	Sitting Fee
Mr. V.K. Surendra	-	7.50	-	3.00
Mr. V.P. Mahendra ¹	36.04	6.00	98.89	1.00
Mr. V. T. Ravindra ³	76.49	-	65.90	-
Mr. G.V. Mahadevan ⁴	-	-	17.33	-
Mr. Chinmaya Khatua	24.53	-	19.21	-
Mr. Pankaj Khemka ²	53.02	-	17.13	-
Mr. Antony Cherukara	174.41	-	133.72	-
Sitting Fees paid to Independent and non-executive directors	-	40.50	-	38.00

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Amounts due to related parties		
VST & Sons	8.91	7.66
Key Managerial Personnel	40.50	64.53
Mitsubishi Heavy Industries-VST Diesel Engines Pvt.Ltd.	75.16	102.45
Amounts due from related parties	-	31.38
Automobile Service Centre	-	-
Anand Associates	0.38	-
India Garage	13.98	31.15
Deposits with related parties		
VST Motors Private Limited	1,500.00	2,000.00

¹Mr. V.P. Mahendra has been retired as Managing Director from February 20, 2021 and continued as Non-Executive Director & Vice Chairman.

²Mr. Pankaj Khemka has been appointed as CFO with effect from November 10, 2020.

³Mr. V.T. Ravindra has been appointed as Managing Director from February 20, 2021.

⁴Mr. G.V. Mahadevan has resigned as CFO with effect from June 15, 2020.

⁵Mr. Bijanki Jagannath has been resigned as an Independent Director with effect from June 14, 2021 and Mr.Nandakumar Jairam has been appointed as an Independent Director with effect from June 21, 2021.

Notes to the Financial Statements

for the Year ended March 31, 2022

37. Financial Risk Management objectives and policies:

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The Company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimize potential and guidelines and there has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

i. Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and advances, deposits, investments in debt securities, mutual funds, and other equity funds.

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the investment in debt securities, investment in debt mutual funds and cash and cash equivalents.

The company's policy is to manage its interest rate risk by investing in fixed deposits, debt securities and debt mutual funds. Further, as there are no borrowings, the company's policy to manage its interest cost does not arise.

b. Foreign Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has transactional currency exposures arising from Exports or imports that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars (\$). The Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The following table demonstrates the sensitivity in the USD and GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets is given below:

(Amount in Lakhs)			
Particulars	Change in Rate	For the year ended March 31, 2022	For the year ended March 31, 2021
USD	+5.00 %	12.74	(1.83)
	-5.00 %	(12.74)	1.83
GBP	+5.00 %	4.64	3.67
	-5.00 %	(4.64)	(3.67)

Notes to the Financial Statements

for the Year ended March 31, 2022

37. Financial Risk Management objectives and policies: (Contd..)

i. Market Risk: (Contd..)

b. Foreign Currency Risk: (Contd..)

(Amount in Lakhs)			
Particulars	Change in Rate	For the year ended March 31, 2022	For the year ended March 31, 2021
Euro	+5.00 %	(0.00)*	(0.44)
	-5.00 %	0.00*	0.44

* Decimals has been rounded to nearest rupees lakhs.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposit), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, Outstanding customer receivables are regularly monitored and any credit to new customers are generally covered by appropriate security in the form of deposits.

a. Exposure to credit risk:

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognized in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b. Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognized financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

c. Financial assets that are neither past due nor impaired:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits, investment securities that are neither past due nor impaired are placed with or entered with reputable banks, financial institutions or companies with high credit ratings and no history of default.

d. Financial assets that are either past due or impaired:

Trade receivables that are past due or impaired at the end of the reporting period, for which lifetime expected credit loss has been provided by the company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss (information provided in note no. 12).

Notes to the Financial Statements

for the Year ended March 31, 2022

37. Financial Risk Management objectives and policies: (Contd..)

iii. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in Lakhs)				
Particulars	Less than 12 months	1 to 3 years	More than 3 years	Total
As at March 31, 2022				
Trade Payables	8,217.17	-	-	8,217.17
Security Deposits	92.00	4,047.08	-	4,139.08
Lease Liability	35.65	79.97	-	115.62
Other Financial Liabilities	4,896.01	-	-	4,896.01
As at March 31, 2021				
Trade Payables	8,314.25	-	-	8,314.25
Security Deposits	-	4,309.76	-	4,309.76
Lease Liability	13.23	37.49	-	50.72
Other Financial Liabilities	6,153.44	-	-	6,153.44

38. Investment Property:

The company as at the end of reporting period recognizes the income earned from renting of Investment property under the head other income with all the incidental expenditure in relation to the property under their respective sub-heads in other expenses.

Summary of Net Income recognized in Statement of Profit and Loss from Investment Property generating rental income

(Amount in Lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Rental Income	137.42	132.76
Less: Direct operating expenses incurred		-
i. Repairs and Maintenance	6.11	15.54
ii. Property Taxes Paid	5.19	5.14
(B) Total expenses	11.30	20.68
Net Income / (expense) from Investment Property (A-B)	126.12	112.08

Fair Valuation of Investment Property:

(Amount in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
a) Land	8,328.04	8,035.53
a) Building	1,631.51	1,340.86

Note: The fair values of investment properties have been determined by independent valuers. The main inputs used are the rental growth rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

Notes to the Financial Statements

for the Year ended March 31, 2022

38. Investment Property: (Contd..)

Depreciation and Useful Life: Depreciation method used by the entity for Investment Property is Straight line method. Useful life of buildings is considered as 30-60 years.

39. Capital Management:

Capital includes equity attributable to the equity holders of the parent. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder's value.

The company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders return capital to shareholders or issue new shares.

Currently the company does not have any borrowings and maintains the entire capital in form of equity share capital.

40. Unhedged Foreign Currency Exposure:

(Amount in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	#	Foreign Currency	Amount (₹)	#	Foreign Currency	Amount (₹)
Trade Receivables	\$	4.69	353.50	\$	0.83	60.41
	£	0.94	92.74	£	0.73	73.31
	€	0.00*	0.07	€	-	-
Trade Payables	\$	1.31	98.79	\$	1.33	97.01
	€	-	-	€	0.10	8.70

Denotes currency symbol

* Denotes values has been rounded up to two decimals.

41. Contingencies and Commitments:

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent Liabilities		
a. Cases filed by customers in various consumer courts not acknowledged as debts	74.50	51.07
b. Appeals filed by the company in respect of Income tax matters	1,137.21	968.52
c. Appeals filed by the company in respect of Customs matters	25.68	25.68
d. Bank guarantees issued to Government agencies by way of security	259.45	258.95
e. Possible claim against company, not acknowledged as debt	-	437.69
Commitments		
a. Estimated value of contracts remaining to be executed on capital accounts and not provided for (net of advances)	1,489.82	1,818.03

Notes to the Financial Statements

for the Year ended March 31, 2022

42. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

The Ministry of Micro, small and medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2022 has been made in the financial statements based on the information received and available with the company. The company has not received any claim for interest from any supplier under the said acts. Further in view of the Management, the impact of interest, if any, that may be applicable in accordance with provisions of the Act is not expected to be material.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Principal	Interest	Principal	Interest
Amount due to vendor	2,343.09	-	2,009.00	-
Principal amount paid (includes unpaid) beyond appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-

43. Leases

Company as Lessee:

The Company lease assets consists of leases for land and computers. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022 are as follows

Particulars	Category of ROU Asset		Total
	Equipment	Land	
Balance as at April 1, 2021	44.95	329.37	374.32
Add: Additions	79.38	-	79.38
Less: Deletions	-	-	-
Depreciation	22.03	3.33	25.36
Balance as at March 31, 2022	102.30	326.04	428.34

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 are as follows:

Particulars	Category of ROU Asset		Total
	Equipment	Land	
Balance as at April 1, 2020	-	-	-
Add: Additions	46.90	329.37	376.27
Less: Deletions	-	-	-
Depreciation	1.95	-	1.95
Balance as at March 31, 2021	44.95	329.37	374.32

The depreciation expenses on ROU assets is included under depreciation and amortization expense in the statement of profit and loss.

Notes to the Financial Statements

for the Year ended March 31, 2022

43. Leases (Contd..)

The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021 are as follows:

(Amount in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Current Lease liability	30.12	10.79
Non-current lease liability	74.47	34.35
Total	104.59	45.14

The following is the movement in lease liabilities during the year ended March 31, 2022:

(Amount in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Opening Lease liability	45.14	-
Additions	79.38	46.89
Finance cost accrued during the year	4.83	0.45
Deletions	-	-
Payment of lease liabilities	24.76	2.20
Balance at end (March 31, 2022)	104.59	45.14

Following amount has been recognized in the statement of profit & loss:

(Amount in Lakhs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation/Amortization on right to use asset	25.36	1.95
Interest on lease liability	4.83	0.45
Total amount recognized in the statement of profit and loss	30.19	2.40

The details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis are as follows:

(Amount in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	35.65	13.23
One to five years	79.97	37.49
More than five years	-	-

44. Corporate Social Responsibility (CSR) Expenditure:

CSR amount required to be spent by the Company during the year is Rs. 159.49 lakhs (Previous year Rs. 176.46 lakhs). Further, during the year Company has spent an amount Rs. 159.49 lakhs related current year liability, details of which are as follows:

Notes to the Financial Statements

for the Year ended March 31, 2022

44. Corporate Social Responsibility (CSR) Expenditure: (Contd..)

Details of amount spent on each head:

Head	Paid in Cash	Yet to be paid in Cash	Total
CSR activities (through Kamalabai Education Trust)	75.00	-	75.00
CSR activities (through V.S.Thiruvengadaswamy Mudaliar Memorial Trust)	77.01	-	77.01
providing medical facility	7.48	-	7.48
Total	159.49	-	159.49

Details of amount spending on CSR activities:

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening unspent amount*	193.31	211.84
Amount required to be spent as per section 135(5) of companies Act, 2013	159.49	176.47
Less: Amount spent during the year	159.49	195.00
Balance amount to be spent	193.31	193.31
Amount to be transferred to separate bank account within 6 months	-	193.31
Amount transferred to separate bank account (Kotak Bank) as on April 29, 2021.		193.31
Balance amount to be transferred to separate bank account.	-	-

* Opening unspent amount as on April 01, 2021 is the difference between the amount to be incurred as per Sec 135(5) of the Act and the actual amount incurred till the beginning of previous financial year.

45 Disclosure pursuant to Indian Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets"

a) Movement in provision for warranty

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Carrying amount as at the beginning of the year	182.40	94.48
Add: Additional provision made during the year	194.93	174.95
Less: Provision used during the year	182.40	87.03
Less: Unused amounts reversed during the year	-	-
Carrying amount as at the end of the year	194.93	182.40

b) Nature of Obligation

The Company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision made as at March 31, 2022 represents the amount of expected cost of meeting such obligations on account of rectification / replacement. The timing of outflow is expected to be within a period of one year from the end of the reporting period.

The Company generally offers 12 months warranties for tiller products except 135DI tiller, 17HP-30HP tractors which are offered 24 months warranties. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims.

Notes to the Financial Statements

for the Year ended March 31, 2022

46. Disclosure pursuant to Ind AS 115 – Revenue from contracts with customers

1. Disaggregation of Revenue

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Revenue by type of goods & Services		
Revenue from Products		
- Tractors	29,387.33	28,800.03
- Tillers	47,378.08	38,502.46
- Others	12,445.35	12,940.90
Revenue from Services		
- Job Works	158.17	24.28
Total	89,368.93	80,268.47
b) Revenue by geographical region		
Domestic Sales	82,203.39	76,597.84
Export Sales	7,165.54	3,670.63
Total	89,368.93	80,268.47
c) Revenue by sales Channel		
Dealer Sales	80,091.92	69,039.18
End Customer Sales	8,260.13	9,998.94
Others	1016.88	1,230.35
Total	89,368.93	80,268.47

2. Contract Balance:

Customer advance of Rs. 769.28 lakhs as at March 31, 2021 (Rs. 116.41 lakhs as at March 31, 2020), has been recognized as revenue during current the financial year.

3. Reconciliation of Revenue recognized in the statement of Profit & Loss with contract Price:

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Price	89,368.93	80,268.47
Less:		
Dealer Discount – Products	1091.29	381.86
Dealer Discount – Spares	534.24	363.78
Special Discount	1593.45	2,243.20
Cash Discount	763.69	855.30
Transaction Price	85,386.26	76,424.33

47. Ageing Analysis

A) Ageing schedule of capital work-in-progress.

(Amount in Lakhs)

As at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a) Projects in progress	450.93	235.14	288.72	225.03	1,199.82
b) Projects temporarily suspended	-	-	-	-	-
Total	450.93	235.14	288.72	225.03	1,199.82

Notes to the Financial Statements

for the Year ended March 31, 2022

47. Ageing Analysis (Contd..)

A) Ageing schedule of capital work-in-progress. (Contd..)

(Amount in Lakhs)

As at 31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	62.80	366.99	188.15	1745.87	2,363.81
Projects temporarily suspended	-	-	0.68	173.52	174.20
Total	62.80	366.99	188.83	1919.39	2,538.01

B) Ageing schedule of Trade Payables

(Amount in Lakhs)

As at March 31, 2022	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to MSME	2,343.09	-	-	-	2,343.09
Due to Others	5,817.99	-	40.90	15.19	5,874.08
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-

(Amount in Lakhs)

As at 31 March 2021	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to MSME	2,009.00	-	-	-	2,009.00
Due to Others	5,731.58	149.70	236.19	187.78	6,305.25
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-

C) Ageing schedule of Trade Receivables

As at March 31, 2022	Outstanding from the due date of Receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	2,801.08	449.00	522.22	2,508.13	498.75	-	6,779.18
b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	468.51	468.51
c) Disputed trade receivables – credit impaired	-	-	-	153.34	802.27	911.20	1,866.80
Gross Trade Receivables	2,801.08	449.00	522.22	2,661.47	1,301.02	1,379.71	9,114.49
Less: Allowance for Expected credit loss							2,357.25
Net Trade Receivables							6,757.24

Notes to the Financial Statements

for the Year ended March 31, 2022

47. Ageing Analysis (Contd..)

C) Ageing schedule of Trade Receivables (Contd..)

As at March 31, 2021	Outstanding from the due date of Receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	1,271.41	3,359.02	2,003.30	1,554.41	554.56	-	8,742.69
b) Undisputed trade receivables – which have significant increase in credit risk			-	-	-	255.16	255.16
c) Disputed trade receivables – credit impaired			62.83	449.07	576.22	96.03	1,184.15
Gross Trade Receivables	1,271.41	3,359.02	2,066.13	2,003.48	1,130.78	351.19	10,182.00
Less: Allowance for Expected credit loss							2,001.27
Net Trade Receivables							8,180.73

48. Shareholding of promoters:

S. No	Name of the Promoter	As on March 31, 2021			As on March 31, 2022		
		No. of Shares	% of Share holding	% change during the year	No. of Shares	% of Share holding	% change during the year
1	V K Surendra	18,62,034	21.55%	-	19,02,034	22.02%	0.46%
2	V P Mahendra	6,27,020	7.26%	-0.14%	6,27,020	7.26%	-
3	V V Pravindra	2,24,146	2.59%	-	2,24,146	2.59%	-
4	V S Arun	2,17,130	2.51%	-	2,20,630	2.55%	0.04%
5	V P Tiruvengadaswamy	1,99,692	2.31%	0.89%	1,99,692	2.31%	-
6	V V Vijayendra	1,65,888	1.92%	-	1,65,888	1.92%	-
7	S Mahalakshmi	75,375	0.87%	-	35,375	0.41%	-0.46%
8	V V Sujay	72,664	0.84%	-	72,664	0.84%	-
9	M Bharathi	61,200	0.71%	-	61,200	0.71%	-
10	P Jayalakshmi	33,750	0.39%	-	33,750	0.39%	-
11	V Lakshmi	33,007	0.38%	-	33,007	0.38%	-
12	V V Anjali	30,123	0.35%	-	30,123	0.35%	-
13	V T Ravindra	27,852	0.32%	-	28,852	0.33%	0.01%
14	V P Rahul	18,076	0.21%	-	18,076	0.21%	-
15	V M Anand	16,195	0.19%	0.01%	16,195	0.19%	-
16	V M Vishnu	16,056	0.19%	0.01%	16,056	0.19%	-
17	V P Karan	15,714	0.18%	-	15,714	0.18%	-
18	Amritha V M Ward	14,330	0.17%	0.12%	14,330	0.17%	-
19	V T Anusuya	2,250	0.03%	-	2,250	0.03%	-
20	Sita Rajgopal	1,500	0.02%	-	1,500	0.02%	-
21	T Jayshree	0	0.00%	-0.89%	0	0.00%	-
22	Vst Motors Private Limited	3,56,385	4.13%	-	3,56,385	4.13%	-

Notes to the Financial Statements

for the Year ended March 31, 2022

48. Shareholding of promoters: (Contd..)

S. No	Name of the Promoter	As on March 31, 2021			As on March 31, 2022		
		No. of Shares	% of Share holding	% change during the year	No. of Shares	% of Share holding	% change during the year
23	Mitsubishi Heavy Industries Engine And Turbocharger Limited	2,53,125	2.93%	-	2,53,125	2.93%	-
24	Padmanaban Motors LLP	1,36,311	1.58%	-	1,36,311	1.58%	-
25	K S And Sons LLP	85,690	0.99%	-	85,690	0.99%	-
26	V T Velu Investments Private Limited	67,725	0.78%	-	67,725	0.78%	-
27	Gove Finance Limited	66,082	0.76%	-	66,082	0.76%	-
28	Vijayendra Brothers Investments Private Limited	52,470	0.61%	-	52,470	0.61%	-
Total Promoter Holding		47,31,790	54.77%		47,36,290	54.82%	

49. Reconciliation of Monthly information filed with Lender:

The Company has availed working capital facility from HDFC Bank Limited which is paid within the Financial Year. As per the terms & conditions of sanction letter, the Company is required to file monthly statement of inventory, trade receivables and trade payables. On reconciliation of books of account and periodical submissions made with the banker, there were no significant variances.

50. Ratios

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% of Change	Remarks
Current ratio	Current assets	Current liabilities	3.44	3.16	9.07%	
Return on equity ratio	Profit after tax	Average of total equity	14.02%	14.59%	-3.93%	
Inventory turnover ratio	Costs of materials consumed	Average inventories	5.57	4.87	14.39%	
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	11.43	8.59	33.11%	Due to increase in sales compared to previous year.
Trade payables turnover ratio	Purchases	Average trade payables	6.99	7.23	-3.26%	
Net capital turnover ratio	Revenue from operations	Working capital	2.01	2.03	-1.00%	
Net Profit Ratio	Profit after tax	Revenue from operations	11.63%	11.88%	-2.08%	
Return on capital employed	Earnings before depreciation and amortization, interest and tax	Capital Employed	19.97%	19.39%	3.00%	

Notes to the Financial Statements

for the Year ended March 31, 2022

50. Ratios (Contd..)

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% of Change	Remarks
Return on investment	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	11.49%	10.51%	9.40%	

51. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Group, same are not covered:

- The Company has not traded or invested in crypto currency or virtual currency during the financial year
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- The Company has not entered into any scheme of arrangement.
- No registration and/or satisfaction of charges are pending to be filed with ROC.
- There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The Company does not have any relationship with struck off companies.

52. The Company is engaged only in business of manufacturing and trading of agriculture machinery and accordingly the business activity falls within a single business segment in terms of Ind AS 108 on Operating Segments.

53. Voluntary Separation Scheme: During the previous year, the Company has shifted its higher tractors manufacturing from Bengaluru unit to Hosur unit. Accordingly, the company has introduced Voluntary Separation Scheme-2021 dated March 18, 2021 for the Workmen working at Bengaluru unit, and thereby a provision of Rs. 13.49 crores has been provided during the previous year.

54. The Board had recommended dividend of Rs. 20 per equity share having face value of Rs. 10 each for the financial year 2021-2022.

Notes to the Financial Statements

for the Year ended March 31, 2022

- 55.** The Company has assessed the possible effects that may arise from the COVID-19 pandemic on the business. As on the current date, based on the assessment, the Company has concluded that the impact of COVID - 19 pandemic is not material on the carrying value of the assets of the business, however this has affected the operation of the company and has impacted the supply chain management among others. Due to the nature of the pandemic and the resultant operational guidelines that may be announced by the governments in future, the Company will continue to monitor the developments to identify significant impact, if any in the future period.
- 56.** Corresponding previous year figures have been reclassified / regrouped wherever necessary.

As per our report of even date
For K.S. Rao & Co.,
 Chartered Accountants
 Firm Registration No. 003109S

For and on behalf of the Board of Directors of
V.S.T. Tillers Tractors Limited

Hitesh Kumar. P
 Partner
 Membership No:233734

V.T.Ravindra
 DIN:00396156
 Managing Director

K.M. Pai
 DIN:01171860
 Director

Antony Cherukara
 Chief Executive Officer

Pankaj Khemka
 Chief Financial Officer

Chinmaya Khatua
 Company Secretary

Place : Bengaluru
 Date : May 09, 2022

Place : Bengaluru
 Date : May 09, 2022

NOTICE of the 54th Annual General Meeting

Notice is hereby given that the 54th Annual General Meeting (the "AGM") of the Members of V.S.T. Tillers Tractors Limited (the "Company") will be held on Friday, August 19, 2022, at 11:00 am IST through Video Conferencing ("VC") or Other Audio Visual Means (OAVM), to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend of Rs.20/- per equity share for the Financial Year ended March 31, 2022.
3. To consider appointment of a director in place of Mr. V.T.Ravindra (DIN:00396156), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider appointment of a director in place of Mr. V.S. Arun (DIN: 01617103), who retires by rotation and being eligible offers, himself for re-appointment.

SPECIAL BUSINESS

5. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2023.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 148 and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or amendment (s) thereto or re-enactment(s) thereof, for the time being in force), consent of the members is hereby accorded to ratify remuneration of Rs. 2,50,000 (Rupees Two Lakhs Fifty Thousand Only) (Exclusive of applicable GST) per annum plus out of pocket expenses payable to M/s. Rao, Murthy & Associates, Cost Accountants having Firm Registration No. 000065 appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of cost records of the Company for the financial year 2022-23."

RESOLVED FURTHER THAT that board of directors the Company be and are hereby authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
for **V.S.T. TILLERS TRACTORS LTD.**

Chinmaya Khatua

Company Secretary

Membership No. ACS-21759

Place: Bengaluru

Date: May 09, 2022

NOTES:

1. In view of the continuing Covid-19 pandemic, the ministry of Corporate Affairs("MCA") has vide General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021,02/2022 and Circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 ,SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the said Circulars, the AGM of the Company is being held through VC.

Central Depository Services (India) Limited will provide facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 28 below.

2. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
3. The Company encourages the Members of the Company under the category of Institutional Members to attend and participate in this AGM through VC/OAVM.
4. Since this AGM is being held through VC/AOVM pursuant to MCA Circulars and SEBI Circulars, physical attendance of the Members has been dispensed

with and accordingly, the facility for appointment of proxies by the Members is not available for this AGM. Hence Proxy Form, Attendance Slip and route map are not attached hereto.

5. The Board of Directors have decided to include the Item No. 5 of this Notice as it is unavoidable in nature.
6. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the proceedings of this Annual General Meeting will be deemed to be conducted at the Registered Office of the Company situated at Plot No-1, Dyavasandra Industrial Layout, Whitefield Road, Mahadevapura Post, Bengaluru – 560 048.
7. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice calling AGM along with Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and Annual Report have also been uploaded on the website of the Company at www.vsttractors.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. The Register of Members and Share Transfer Books of the Company will be closed from August 13, 2022 to August 19, 2022 (both days inclusive) in connection with Annual General Meeting scheduled to be held on August 19, 2022 and payment of Dividend.
9. The Board has recommended Final Dividend of Rs. 20 /- i.e. 200 % per share of Rs.10/- each for the financial year 2021-22 and the same will be paid on or after August 22, 2022 if approved by the Members at 54th AGM. The dividend if declared shall be payable to all those Members whose names appear in the Register of Members or the beneficial owners as per the records of depositories, as at the closing of business hours on August 12, 2022.
10. Unpaid/Unclaimed dividend details.

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any

statutory modification(s) or re-enactment(s) thereof or the time being in force) any dividends unpaid or unclaimed for seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund established by the Central Government. The Members are requested to claim their dividends who have not claimed so far. During the year 2021-22 the Company has transferred Rs. 10,82,340/- to Investor Education and Protection Fund. The details of the unclaimed dividend are uploaded in IEPF website and as well as website of the Company.

Accordingly, during the financial year 2022-23, the Company would be transferring unclaimed final dividend amount for the financial year ended March 31, 2015, on or after 12th September 2022. The Company has already sent notice to all such Members to claim their unclaimed dividend before due date of transfer to IEPF.

Share Transfer to IEPF:

In accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for 7 (seven) consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The Company has transferred 1,761 Nos of shares to IEPF during the financial year 2021-22 after following the procedure.

The Company has already sent notices to all such Members for the shares due for transfer to IEPF during the year 2022-23. In case the Company receives no communication from the Members, necessary steps will be initiated by the Company to transfer shares held by the Members to the IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to the IEPF.

The shares and dividends transferred to the IEPF can be claimed back by the concerned Members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

11. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of August 12, 2022.
12. In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

13. Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
 14. Members holding shares in electronic form are requested to update their E-mail ID with their respective depository participants and Members holding shares in physical form are requested to update their E-mail ID with the Company's registrar and transfer agent (RTA) to enable dispatch the communication in electronic form from time to time.
 15. Members holding shares in electronic form are requested to update their Bank Details with their respective depository participants and Members holding shares in physical form are requested to update their Bank Details with the Company's registrar and transfer agent (RTA) to receive the dividends by bank transfers.
 16. Rule 3 of Companies (Management and Administration) Rules, 2014 (as amended) prescribes that Register of Members should include details pertaining to e-mail, PAN/CIN, UID, Occupation, Status and Nationality. We request all the Members of the Company to update the said details with their respective depository participants in case of shares held in electronic form and with the Company's Registrar and Transfer Agents in the case of physical holding.
 17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and other related documents, will be available for inspection electronically. Members seeking to inspect such documents during the AGM can send their request at the mail vstagm@vsttractors.com.
 18. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 5 of the Notice, is annexed hereto.
 19. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN). Members holding shares in electronic form are, therefore, requested to submit the PAN details to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar & Transfer Agent.
 20. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company or Company's Registrars & Transfer Agents for assistance in this regard.
 21. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is also annexed.
 22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members electronically by writing an e-mail to vstagm@vsttractors.com.
 23. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the Finance Act, 2020 and amendments thereof. The Members are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).
- A Resident individual Member with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source.
- Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident Members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents.
- The Company with M/s. Integrated Registry Management Services Private Limited, Company's Registrar and Transfer Agent has provided the

web portal for submission of tax exemption forms/ requested documents. Shareholders can submit their tax exemption forms and supporting documents directly on portal for purposes of tax deduction at source by Clicking the below link and selecting 'VST Tillers Tractors Limited' in the company drop down: <https://www.integratedindia.in/ExemptionFormSubmission.aspx> We request shareholders to upload the relevant documents at aforementioned link on or before August 12, 2022. No communication on the tax determination/deduction received post August 12, 2022 shall be considered for payment of dividend.

24. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
 - a. For shares held in electronic form: to their Depository Participants (DPs)
 - b. For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021.

The Company has sent communication to shareholders in this regard.

25. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed hard copy of Form ISR - 4 to the Company's Registrar and Transfer Agents, Integrated Registry Management Services Private Limited No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560003. It may be noted that any service request can be processed only after the folio is KYC Compliant.
26. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall

be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Integrated Registry Management Services Private Limited for assistance in this regard.

27. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.

28. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administration) Rules, 2014, and Regulation 44 of the listing Regulation, the Company is pleased to provide Members facility to exercise their right to vote in respect of resolutions which are being considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

Mr. Pradeep V Kulkarni (FCS-7260; CP No-7835) Partner of Ms. V Sreedharan & Associates, Practicing Company Secretaries firm has been appointed as scrutinizer for remote e-voting and e-voting at the AGM.

A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. August 12, 2022 only shall be entitled to avail the facility of remote e-voting / voting at AGM and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

Procedure / Instructions for Members voting electronically and attending the AGM through VC/ OAVM are as under:

- (i) The remote e-voting facility will be available during the following period:

Start of remote e-voting: From 9.00 a.m. (IST) on August 16, 2022

Ends on remote e-voting: Up to 5.00 p.m. (IST) on August 18, 2022

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its members, in respect of all Members' resolutions.

In order to increase the efficiency of the voting process, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. Members are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual Members holding securities in Demat mode** is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page.

Type of Members	Login Method
	<p>Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) Login method for e-Voting and joining virtual meetings for **Members other than individual Members & Members holding shares in physical form.**
- (ii) The Members should log on to the e-voting website www.evotingindia.com
 - (i) Click on "Shareholders" module.

- (ii) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iii) Next enter the Image Verification as displayed and Click on Login.
- (iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (v) If you are a first-time user follow the steps given below:

Financial Year	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of **VST TILLERS TRACTORS LTD** on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (iii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; vstagm@vsttractors.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (iv) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futrex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

- (v) Any person, who acquires shares of the Company and become a member after dispatch of the notice and holding shares as on the cut-off date i.e., August 12,2022 may follow the same procedure as mentioned above for e-Voting.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES / MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES / COMPANY FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company on vstagm@vsttractors.com /RTA on irg@integratedindia.in.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

The procedure for attending Meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.

The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Facility of joining the AGM through VC / OAVM shall open 30 (thirty) minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

3. Members may note that the VC / OAVM Facility, provided by CDSL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large Members (i.e. Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship & Grievance Committee, Auditors, etc. can attend the 54th AGM without any restriction on account of first-come-first-served principle.
4. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at vstagm@vsttractors.com from August 12, 2022 (09:00 am IST) to August 16, 2022 (05:00 pm IST). The Members who do not wish to speak during the AGM but have queries may send their queries in advance i.e. up-to August 16, 2022 mentioning their name, demat account number/folio number, email id, mobile number at vstagm@vsttractors.com. Members who will participate in the AGM through VC/ OAVM can also pose question / feedback through question box option. These queries will be replied by the Company suitably depending on the availability of time at the AGM. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.

8. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
29. The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website, i.e. www.vsttractors.com and on the website of CDSL within 48 hours of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
30. Corporate/ Institutional Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM on their behalf and cast votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution / Authorization letter to the Company at vstagm@vsttractors.com, authorizing its representative(s) to attend and vote through VC/ OAVM on their behalf at the Meeting, pursuant to section 113 of the Act.

ANNEXURE TO THE NOTICE

Explanatory Statement in terms of Section 102 of the Companies Act, 2013

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Rao, Murthy & Associates, Cost Auditors (Firm Registration No.000065) to conduct the audit of the cost records of the Company for the financial year ending March 31,2023.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration of Rs.2,50,000 /- (Exclusive of applicable GST) per annum plus out of pocket expenses payable to the Cost Auditors, as approved by board of director, has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at item No. 5 of the notice for approval of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested (financially or otherwise) in the resolution asset out at item No.5 of the Notice.

The Board of Directors recommends the Ordinary Resolution set out at item No. 5 of the notice for the approval of the Members.

Annexure A

Brief Resume of Directors seeking appointment / re-appointment at the ensuing AGM (Retiring by Rotation)

Name	Mr. V.T.Ravindra	Mr. V.S.Arun
Designation	Managing Director	Director
Date of Birth	12/05/1969	24/08/1975
Age	53	46
DIN	00396156	01617103
Date of first appointment in Board	27/05/2016	11/05/2018
Relationship with Other Directors/Managers / KMP	Mr. V.K. Surendra Mr. V.P.Mahendra Mr. V.V. Pravindra Mr. V.S. Arun	Mr. V.K. Surendra Mr. V.P.Mahendra Mr. V.V. Pravindra Mr. V.T.Ravindra
Qualification	Graduate, PGDM.	MBA
Expertise	Having more than 25 years' experience in Automobile Industries and Business Administration	vast experience in automotive distribution business. Currently leads the VST Group's automobile franchise vertical and the financial services business (NBFC). Was also instrumental in establishing OE parts distribution in Karnataka and Tamil Nadu.
Directorship in Other Companies	V.S.T. Motors Private Limited VST Supercars Pvt Ltd Chennai Auto Agency Private Limited Crest Construction Private Limited V.S.T. & Sons Private Limited Bangalore Motors Private Limited V.S.T. Auto Ancilleries Private Limited Hotel Pearls Private Limited Pearls Estates Private Limited	V S T Motors Pvt. Ltd Chennai Auto Agency Pvt.Ltd. V S T & Sons Pvt.Ltd. Bangalore Motors Pvt.Ltd., V S T Auto Ancillaries Pvt.Ltd., Vst Titanium Motors Pvt Ltd VST Supercars Pvt Ltd Gove Finance Ltd
Terms & conditions of Re-appointment	He was appointed as Managing Director of the company from February 20, 2021, to March 31, 2024, liable to retire by rotation. However, his re-appointment as a Director of the Company on retirement by rotation, shall continue to hold his office of Managing Director and such re-appointment as such director shall not be deemed to constitute a break in his appointment / service as Managing Director of the Company.	Non-executive & Non-Independent Director

Name	Mr. V.T.Ravindra	Mr. V.S.Arun
Shareholding in the Company	28852	220630
Chairmanship of Committees of other Board	Nil	Nil
Membership of Committees of other Board	Nil	Risk Management committee of VST Tillers Tractors Ltd.
No of Board Meeting attended	5	5
Salary/Sitting fees paid during the year 2021-22.	76,48,703 (salary)	5,00,000 (sitting fees)

By Order of the Board
for **V.S.T. TILLERS TRACTORS LTD.**

Chinmaya Khatua

Company Secretary
Membership No. ACS-21759

Date: May 9, 2022
Place: Bengaluru

Notes

[illegible]



V.S.T. TILLERS TRACTORS LTD.

CIN-L34101KA1967PLC001706

Regd. Office: Plot No. 1, Dyavasandra Indl. Layout, Whitefeild Road,
Mahadevapura Post, Bangalore 560 048 Phone: 91 80671 41111

E-mail: vstgen@vsttractors.com

Website: www.vsttractors.com

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